FBIS DAILY REPORT

CONTENTS

Eastern Europe

Vol II No 128 *2 July 1984*

INTRABLOC AFFAIRS

'Danube-84' Military Exercises Concluded AA 1
River-Crossing Exercise [Budapest Television] AA 1
Rally Held Following Exercises [MTI] AA 1

CSCE/MBFR/DISARMAMENT

Honecker Statements on Peace, Disarmament Issues BB 1
Responses to Greek Reporters [Athens RIZOPASTIS 28 Jun] BB 1
Interview by Swedish Paper [ADN] BB 6
Commentaries on U.S.-USSR Space Talks Exchange BB 11
Talks Would Ease Tension [Sundic, Zagreb] BB 11
USSR Proposal Tests Reagan [Rayzacher, PAP] BB 12
Apparent Change in U.S. Stance BB 13
[Foldvari, Csak, Kulscar, Budapest]
U.S. Denies Preconditions [Budapest] BB 14
Desired U.S. Agenda Unclear [Budapest] BB 14
Flaws in U.S. Response [Budapest] BB 15
Talks Will Resume Dialogue [Budapest Television] BB 15
U.S. Precondition Unacceptable [Budapest] BB 16
U.S. Reply Proves Hypocrisy [Prague Television] BB 16
Another Demagogic Proposal [ATA] BB 17

ALBANIA

Malile Receives Laotian Foreign Ministry Group B 1
Kapllani, Greek Officials Discuss Deepening Ties B 1
Alia Attends Hospital Inauguration in Shkoder B 1
Briefs: New Envoy to Egypt B 1

BULGARIA

Lawyer Consolo Claims Clear Alibi for Antonov C 1
Zhivkov Receives U.S. Ambassador on Departure C 1
[RABOTNICHESKO DELO 26 Jun]
Filipov Meets Ghanaian Leaders on African Tour C 1
Arrives 28 June C 1
Signs Cooperation Protocol C 2
Ends Visit C 2
Todorov, Tanchev Receive Indian Parliamentarian C 3
Jakhar Departs 1 July C 3
Zarev Sees Off Departing Syrian CP Delegation C 3
Health Delegation Pays Official Visit to Cyprus C 3
[cross-reference]
State Council Awards Iraqi CP Secretary C 4
Transporation Agreement Signed With USSR C 4
Machine-Building Cooperation With USSR Outlined C 4
Antonov Delegation Departs C 4
Zhivkov Congratulates New PCI Leader Natta C 5
[RABOTNICHESKO DELO 28 Jun]

Zhivkov Greets Mozambique Leader on National Day C 5
Leaders Attend Meetings, Sessions 24-30 June C 6
Briefs: Tourism Protocol With Greece C 6

CZECHOSLOVAKIA

Chnoupek Meets Colombian Amity Group Members D 1
Invites Lloreda; Ends Visit D 1
Ortega: Jackson Seeks Peaceful Solution in C.A. [Managua] D 1
Ecuadoran Deputy Foreign Minister Valdez Visits [Quito] D 2
Strougal Calls for Arab Unity, Palestinian State D 2
[Damascus AL-BA'TH 21 Jun]
Thai Deputy Foreign Minister Arrives 30 June D 4
East Bloc Techniques Preferable to Western D 4
[Vanorna in RUDE PRAVO 26 Jun]
Ustinov, Kulikov Confer With Husak in Prague D 6
Hoffmann-Led Delegation Leaves for USSR D 6
Control, Auditing Group Returns From USSR Visit D 6
PRC Foreign Vice Minister Meets Rehorek, Busa D 7
Foreign Trade Minister Receives Order of Labor D 7
Briefs: New Envoy to Australia; D 7
New Radio Transmitters;
Women's Congress Elects Officials

GERMAN DEMOCRATIC REPUBLIC

Olof Palme Visits, Emphasizes Arms Control E 1
Arrival in Stralsund E 1
Talks With Honecker E 1
Detente Urgently Necessary E 1
Press Conference E 2
Bishop Greets Politicians E 3
Visit Ends E 4
Honecker's Congratulations to Canadian CP Leader E 4
[NEUES DEUTSCHLAND 27 Jun]

HUNGARY

USSR Leaders Reject Reagan Cooperation Proposal F 1
UK Minister Calls for Better Soviet Relations F 1
Cuban Move Proves Wish for Improved U.S. Ties F 2
Seen as Propaganda F 2
Rejected by U.S. F 2
Chen Muhua on Broadening Trade With East Europe F 3
Signs Agreement, Protocol F 4
Szuros Meets With CPSU Officials in Moscow F 5
Trade, Finance Ministers Address Assembly F 5
Deterioration of Trade Terms [MAGYAR HIRLAP 21 Jun] F 5
1983 Economic Gains Modest F 12
[MAGYAR HIRLAP 21 Jun]

POLAND

Government Spokesman Holds Paris News Conference G 1
Urges Closer Ties With France G 1
WEU Reactivation Connected to Reagan Strivings G 2
[PAP military commentator]

Reagan Talks Proposal Considered Election Ploy G 3
[Boniecka in ZYCIE WARSZAWY 26 Jun]
Thesis of Rigged Elections Unsupported by Data G 4
[Wilczewski in ZOLNIERZ WOLNOSCI 29 Jun]
Economic Cooperation With PRC Expanded G 5
Upward Trend Restored G 5
Cooperation Agreement Signed G 5
Ministers Comment on Talks G 6
Communique on Ortega Visit Condemns U.S. Policy G 7
[Antos in TRYBUNA LUDU 26 Jun]
Jaruzelski Receives Cuban Party Official G 7
Polish, Cuban Youth Groups on Exchange Visits G 8
Jaruzelski, Schuerer Stress Economic Cooperation [ADN] G 8
Porebski, Delegation Pay Visit to Moscow G 9
Ceremonies Commemorate Poznan June 1956 Events G 9
Riot Police Disperse Poznan Demonstrators 28 Jun [AFP] G 9
Bogdan Borusewicz Replaces Bogdan Lis in TKK [AFP] G 10
Prices Office Announces Changes Effective 1 July G 10
More on Price Increases G 10
Investment Team Notes Spending Exceeds Plan G 11
Sejm To Meet 2 July, Agenda Summarized G 11
Jaruzelski Receives WIDF Leader 26 June G 11

ROMANIA

U.S. Vessels End Visit to Port of Constanta H 1
French Communist Leader Marchais Arrives 30 June H 1
Nita Meets Spanish Trade Union Leader Camancho H 1
Book on Ceausescu's 4 Jun Moscow Visit Published H 1
GNA Plenum Supports Ceausescu's Reelection H 2
Gainuse Report on Nutrition H 2
Session Ends 29 June H 3

YUGOSLAVIA

Srebric Assesses Outcome of Moscow Trade Talks I 1
On West European Statesmen's Visits to USSR I 1
[Sundic]
Talks With Albania: Must Overcome Irredentism I 2
[Sedmak in DELO 27 Jun]
Another Meeting Soon [Tirana] I 3
Border Trade With Bulgaria Below Targets I 4
[S.T. in POLITIKA 27 Jun]
Uzbek Delegation Ends Visit to Macedonia I 4
[NOVA MAKEDONIJA 20 Jun]
SAWPY Delegation Departs Cuba for Costa Rica I 5
Saudi Prince Favors Strengthening Cooperation I 5
Rozic Meets Polisario's Abdelaziz 21 June I 5
[BORBA 22 Jun]
Dizdarevic Receives Italian Parliamentarians I 6
[POLITIKA 23 Jun]
SWAPO Chairman Meets With SAWPY Officials I 6
Djuranovic Greets Mozambique's President I 7
[BORBA 25 Jun]
Payments on Foreign Obligations Maintained I 7
Markovic: Stabilization Priority Task for All 7
[Belgrade KOMUNIST]

'DANUBE-84' MILITARY EXERCISES CONCLUDED

River-Crossing Exercise

LD291949 Budapest Television Service in Hungarian 1800 GMT 29 Jun 84

[Summary] "The 'Danube-84' military operational strategic exercise is nearing completion." Today we report from that section of the Danube where the Soviet and Czechoslovak troops carried out a river-crossing. The maneuver started with the battle activity of planes and helicopters. The dry-land armored vehicles travel easily also on water. But the water maneuver demands greater expertise. This is one of the hardest tasks of the units, because during a river crossing they are at their most vulnerable. "After crossing the Danube the troops continued the attack exercise. Simultaneously with this, with the participation of a large technical force, the bridge-building began. On the river bank they linked together the 400-meter long bridge and this was then towed across the river to the other bank by motor launches. Altogether 28 minutes passed from the time the linking started until the heavy combat materials, as well as the reinforcements, were able to cross the bridge continuously."

Rally Held Following Exercises

LD301824 Budapest MTI in English 1723 GMT 30 Jun 84

[Text] Budapest, June 30 (MTI) -- The designated staffs and troops of the Hungarian People's Army, the Czechoslovak People's Army and the Soviet Army carried out a joint operational and field maneuvre-exercise, codenamed "Danube '84", in Hungary from June 22 to 30. The exercise contributed to further improve the joint action of commanders, staffs and troops and strengthened brotherhood-in-arms of the fraternal armies.

At the end of the exercise a rally was held on one of the military exercise grounds of Dunantul, west Hungary, where the representatives of staffs and troops lined up with their technical equipment. After the assessment of the joint exercise, the commander-in-chief of the exercise and his national deputies presented honours to Hungarian, Czechoslovak and Soviet soldiers in appreciation of their outstanding work.

HONECKER STATEMENTS ON PEACE, DISARMAMENT ISSUES

Responses to Greek Reporters

NC281527 Athens RIZOSPASTIS in Greek 28 Jun 84 p 7

[Text] Erich Honecker, chairman of the GDR State Council gave an important interview to a group of Greek reporters who visited the GDR from 19 to 26 June. After giving them a coridal welcome, the general secretary of the SED Central Committee stressed that "in view of the exacerbated international situation the development of fruitful relations of peaceful coexistence between the GDR and Greece, which belong to different military alliances, has a significance that cannot be underestimated.

"The fact that the international political situation has deteriorated in a disturbing manner cannot be disregarded. A new and more dangerous round in the arms race has begun with the deployment of new first strike nuclear weapons by the United States in West Europe. We continue to have as our starting point the fact that more weapons do not bring a greater security. Therefore, we support keeping the military balance at an increasingly lower level with a final elimination of all nuclear and mass destruction weapons."

Comrade Honecker then referred to the Warsaw Pact's proposals for terminating the arms race and for taking practical measures toward nuclear disarmament.

"We attach special significance," he said, "to the signing of an agreement between the Warsaw Pact and NATO for abandoning the use of military force and for maintaining peaceful relations."

He also stressed that the GDR is doing everything so that a war may never begin on German soil and added: "We know that Greece shares our apprehension over the dangerous aggravation of the international situation. The multilateral activities in your country that are aimed at the most important issue for our era, maintaining peace, are being followed in the GDR with great attention and sympathy. In this spirit, I am steadfastly convinced that the upcoming talks with Papandreou will give new impetus not only to bilateral cooperation but to international efforts for peace and security."

The head of the GDR then replied to questions by Greek reporters. In reply to a question by ETHNOS correspondent A. Khatzopoulos regarding the possibiliites for further developing cooperation between Greece and the GDR, Comrade Erich Honekcer stressed the following, among other things:

"We see great possibilities for the further development of bilateral relations. In view of Prime Minister Andreas Papandreou's upcoming visit to the GDR, the competent organs of our two countries have begun talks to increase bilateral exchanges in the economic and scientific-technological fields. Consequently, I see great possibilities in this respect for the further development of economic relations, especially if one takes into consideration the fact that our national income this year will total M217 billion and industrial production M450 billion. We are interested in further expanding our cooperation with Greece in science and technology because the prerequisites for this expansion already exist."

In reply to a question by TA NEA correspondent A. Stangos on the initiative of the "six" and the denuclearization of the Balkans, Comrade Honecker said:

"We greatly appreciate the initiative of the six heads of state and government who have taken a position on the important issue of our era, the issue of the maintenance of peace. This initiative comes at a time when overarming and the U.S. Goverment's policy of confrontation is daily exacerbating the international situation. The U.S. Government is publicly and limitlessly declaring that it seeks military superiority, and funds are continuously being approved for a huge arms program. Thus the implementaton of U.S. plans for world domination is being pursued.

"In practice this has led to the exacerbation and deterioration of the international situation and to the need for taking countermeasures by the USSR, the CSSR, and the GDR so that they may thwart the upsetting of the military balance. In this situation, the initiative of the six heads of state and government from various areas of the world -- in my opinion -- obviously has the advantage of supporting all goals which aim at leading to truly honest negotiations for the purpose of achieving results, limiting arms, and implementing disarmament. In clear words: If one wants peace, one most hold talks and discussions honestly and openly. One should not use talks in order to create a smokescreen for overarming, but in order to attain true results on the issue of limiting arms and disarmemnt.

"I would like to say that we support all these initiatives, espeically the initiative of Papandreou, including the initiative for a denuclearized zone in the Balkans."

In reply to a question by RIZOSPASTIS Correspondent L. Petsinis in connection with the U.S. and NATO claim alleging that the Pershing II and cruise missiles have been deployed in retaliation for Soviet "arms superiority," the head of the GDR said: "It has already become evident that the entire propaganda campaign about the theat from the East aims at forcing the people of the West to approve the deployment of the new U.S. first strike weapons, the Pershing II and cruise missiles. The United States has claimed that the deployment is necessary in order to deal -- as you have stated -- with the alleged military superiority of the Soviet Union and the socialist countries, but this is the biggest lie that has ever been publicized by the interested circles so the new U.S. first strike weapons can be deployed. "However, the inspirers of the deployment themselves recognize that the Pershing II and cruise missiles are intended to strike a 'decapitating blow' when launching the 'first strike.' Already the United States has proceeded with the formation of 'decapitation forces' and forces for launching a nuclear war in Europe. All these things have been accompanied by a U.S. invented theory on the possibility of limiting and winning a nuclear war. I have spoken with many leaders of the Western world, especialy with former Chancellor Helmut Schmidt, who was one of the proponents of the twin Brussels decision. In these talks I stressed that the Warsaw Pact countries do not have military-strategic superiority and that with the deployment of the Pershing II and cruise missiles the military-strategic balance which, accoridng to U.S. President Carter, existed since 1979 will be upset.

"Now with the deployment of the missiles having begun last December, it is obvious that the generator of the arms race in the nuclear field has again been set in motion. Has the United States now acquired greater security? No, because the Soviet Union has increased the number of its submarines near the U.S. coast. The danger warning period has been shortened for the United States, too. I do not know whether you have seen the film 'The Day After.' However, everything shown in this film is child's play compared to what will happen with the launching of a real atomic war.

"Furthermore, our side has stated -- as is well known -- that following the agreement between the Governments of the GDR and Czechoslovakia with the Soviet Union for the deployment of longer range operational-tactical missiles, the danger warning period has become shorter for the Western countries that have accepted the missiles.

"The Pershing II missiles, which are said to be accurate, cover the distance to Moscow in 8-10 minutes. The longer range operational-tactical missiles that were deployed on GDR soil reach all the areas of Pershing II and cruise deployment in 1/2 to 1 minute. That is, the states that accepted them now do not have greater security. For this reason we believe that it would be better now to dismantle the cruise and Pershing II missiles and send them back to the United States. In such case the Soviet Union, the GDR, Czechoslovakia, and the other states of the Warsaw Pact would be willing to revoke the countermeasures they have taken; that is, to dismantle the newly installed complexes of missiles for operational-tactical purposes.

"At this point please allow me to add the fact that during the signing of the SALT II agreement in Vienna, President Carter had stated that a military-strategic balance existed. A few months later the United States claimed the opposite. Thus the claim of military superiority of the Warsaw Pact countries was a propaganda lie to justify the deployment of U.S. missiles. At this point we must state that despite this propaganda the deployment of the missiles in all Western countries was made against the will of 70 percent of the population. We believe that an end should be put to the escalation of nuclear arms. Measures should be taken so that according to the principles of equality and equal security, disarmament should begin in both the nuclear and the conventional sectors."

I ELEVTHEROTIPIA correspondent N. Nikolaidhis asked whether the Soviet Union is prepared to withdraw the SS-20 missiles from the GDR if the United States withdraws the Pershing II and cruise missiles. Comrade Honecker replied:

"With regard to the SS-20 missiles, as is well known, the Soviet Union stated that there would be a moratorium during the Geneva negotiations; that is, no new SS-20 missiles would be installed. Contrary to Pentagon propaganda, this was observed during the GEneva negotiations. But since there is no desire for agreement, since the deployment of Pershing II and cruise missiles began during the negotiations, the Soviet Union in consultation with its allies rescinded its commitment and obviously went ahead with the deployment of SS-20 missiles. First, with the termination and dismantling of the Pershing II and cruise missile installations the necessary prerequisites must be created to lift the countermeasures, which were taken opposite the U.S. coasts on the territories of the GDR and the CSSR. In this way the military-strategic balance will be restored at a lower level. Thus, talks can be resumed on the question of medium-range arms in Europe and in general.

"It is well known that along with the signing of SALT II, the signing of the SALT III agreement was to follow. This agreement was to include the entire specturm of a 'grey zone,' becuase it is well known that the U.S. and British submarines are equipped with missiles. Moreover, one cannot overlook the fact that Great Britain and France possess nuclear arms. Thus, if we view the issue from this viewpoint, the success of the Geneva talks was dependent on reaching agreement on all these issues.

"Today, of course, the issue is entirely different. It would be a great success for mankind to be freed first from the weapons systems which were deployed after the suspension of the Geneva talks. The Warsaw Pact countries expressed their desire to resume negotiations on the medium-range arms after achieving such a measure. At this point I would like to state most clearly that we are in favor of the most practical solution; that is, the removal of atomic weapons from mankind's life because they constitute a great danger to mankind's existence.

"Since this is not feasible -- we are realists -- and since it is probably not possible to do this in a single step, we are in favor of a variety of measures, as well as in favor of measures that would create more trust. The question is not solely whether the United States says that it does not trust the Soviet Union. We do not trust the Reagan administration at all. This is because Reagan has publicly stated that he wants to destroy socialism, and he refuses to abandon the "first-strike" theory. We have entirely different views. For example, we favor the Swedish proposal for establishment of a zone free from atomic weapons at the points of contact between NATO and the Warsaw Pact in central Europe. We have made available our entire territory for this purpose. And this proposal does not come from a Communist but from a Socialist statesman; that is, from a country like Sweden which has not known war for whole decades. We are in favor of a zone in the Balkans free from atomic weapons. We are in favor of a zone in northern Europe free from atomic weapons. There is very broad support for this proposal and, as I said earlier, we are in favor of an agreement against the use of force and for the preservation of peaceful relations. We are decisively against all aims to spread the arms race to outer space.

"The danger of a star war being prepared exists. This is a major threat to mankind. For this reason we want to prepare our defense from the beginning, and we oppose an agreement against outer space being used for military purposes. It would naturally be very good for the United States to know exactly that preparations for such an undertaking, for which the Reagan government is already working, would naturally bring about the opposite reaction.

"I am surprised over the FRG press which spitefully reports that the United States possesses a 'killer satellite' and -- let us say it as it is -- it is rejoicing just as it was rejoicing over Hitler's 'Blitzkrieg' against Greece, Belgium, France, and so forth.

"The preparation of the most terrible crime against mankind is observed by them as a major success! I want to tell you very clearly that this is not a matter of success. Atomic warfare would not merely challenge mankind, it would completely destroy it.

I KATHIMERINI correspondent R. Angouridhou asked why the peace movements in East Europe are directed solely against U.S. missiles. Comrade Honecker replied:

"This is a misunderstanding. We, the government, the peace movement, and the GDR Peace Council, are against missiles in the East and the West. There is no room for the slightest efforts to distort the peace movement in the West or the peace movement in the socialist countries. We are against missiles which can annihilate mankind in the East or West. We support the peace movement as much as we can. This is being done in order to save mankind from nuclear hell; that is, this is being done as a result of our basic attitude. Moreover, we are determined opponents of this arms race.

"We are in favor of disarmament not only in the nuclear field but in the conventional field as well, based on the principle of equality and equal security. Only in this way will vast resources be freed to use for peaceful purposes. I am thinking of the new economic order in the developing countries. Economic resources would be freed for them as well. Although I am the president of the GDR Defense Council, I would be very happy if we could save the considerable funds which we must now use for defense purposes. I find the slogan being used in the West: 'Funds for work not for missiles,' to be very correct."

Answering a question on the "absorption" of the GDR by the FRG that is being projected in the West, Comrade Honecker said:

"There can absolutely be no talk about absorption. Socialism can be mixed with capitalism as much as one can mix fire with water. The question which you have mentioned is primarily raised by those whose goal is to revise the territorial status quo which has resulted from World War II and from postwar developments. This is an extremely dangerous undertaking. We believe that those who want to take advantage of the aggravation in the international situation in order to be able to question postwar developments, should be rejected.

Answering another question on relations between the two German states, he said:

"The GDR has never concealed that the conversion of the FRG into a base for launching U.S. first-strike missiles must have negative repercussions for GDR and FRG relations. One cannot begin from a view that the deterioration of the international situation -- a deterioration which is now taking place -- will not affect relations between the two German states which, as is well known, belong to different alliances....

"The GDR will act in accordance with its allied commitments in all respects. This, of course -- in contrast to the practice of deploying missiles in the FRG -- is being done in the interests of securing peace, and therefore it is in the interests of peaceful cooperation among peoples."

Asked whether the GDR has benefitted from the construction of the "Berlin Wall," Comrade Honecker stated:

"The benefit from the wall lies in the fact that its construction, at the proper time, contributed to safeguarding peace. By building this wall, the basis was created for developing relations of peaceful coexistence between the GDR and the FRG. During those days of the summer of 1961, many things were at stake. By using West Berlin as a bridgehead, aggressive circles attempted to destroy the workers' and peasants' authority on German territory and to 'turn back socialism,' thus using the GDR open borders as a gate for invasion. Because of this extremely dangerous situation for peace in Europe, the construction of an antifascist protective barrier around West Berlin has been useful not only for the GDR but also for other peoples. Securing the borders toward West Berlin has effectively stopped the economic looting of the GDR. According to estimates by Western specialists, up until 1961 the GDR had lost approximately M1 billion because of foreign exchange and smuggling. The German working people were deprived through deceitful means of the fruit of their toil.

"Today, everyone can see that our measures have greatly contributed to peace and security in the heart of Europe.

"Our measures have contributed to stability and economic development in the GDR, and have made it possible to begin work on possible shaping the developed socialist society."

Answering a question by the RIZOSPASTIS correspondent on the GDR's successes during the 35 years of its existence, he stressed:

"During the 35 years of its existence, our Republic has developed into a stable socialist state with a strongly developing people's economy whose peaceful policy is appreciated and respected internationally. The concern for the continuous elevation of the people's material and cultural standard of living, the people's social security and care, constitute the basis of all decisions by the state; they are the goal of all our efforts.

"Moreover, in the future there is nothing more important for us than to devote all our capabilities to preventing a nuclear catastrophe. We want peace for our children, and for our children's children. In domestic policy, we are carrying on with the tested path of a close link between economic and social progress as defined by the 10th SED Congress in 1981. We are paying special attention to the prudent implementation of the economic strategy for the eighties. This increases the duty for further stepping up scientific-technological progress, for increasing work production, and for more, favorably shaping the relation between expenditure and benefit in order to achieve a general intensification of the people's economy. Here we are cooperating with the USSR and other socialist countries.

"The good results which are achieved by implementing the economic strategy make it possible to continue our social program on a large social scale during an era when unemployment and uncertainty are affecting the life of people in the capitalist countries. Naturally, the ambitious implementation of our duties requires intensive work. The belief that in the end the results of this work are for the benefit of the people, continuously encourages the working people to proceed with new initiatives to increase the effective power of the people's economy."

Interview by Swedish Paper

LD291503 East Berlin ADN International Service in German 1045 GMT 29 Jun 84

["Erich Honecker's Interview in SEVENSKA DAGBLADET" -- ADN headline]

[Text] Berlin, 29 Jun (ADN) -- On Friday, the Swedish daily SVENSKA DAGBLADET published the text of an interview given to the newspaper by Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State Council, on the occasion of the visit to the GDR by Swedish Prime Minister Olof Palme. The text of the interview is as follows:

Question: The visit by Prime Minister Olof Palme on 29-30 June is the first visit at the highest level between our two states since the official recognition of the GDR by Sweden. Why is it taking place only now and particularly at this time?

Answer: In view of the worsening of the international situation and of the good level of political dialogue, your prime minister and I agreed to meet now. As you know, the GDR has always appreciated the usefulness of direct meetings between leading politicians for the development both of bilateral and international relations. [Words indistinct]

Question: How would you, from your point of view, describe the relations between our two states? In what areas do you see the greatest opportunities for further development?

Answer: In my view all the conditions exist for further developing our relations, which I see as positive, on a broader basis in the economic and cultural spheres. They are good-neighborly relations, free of political disputes and based on shared interest in mutually advantageous cooperation. Particularly since the seventies, primarily after my meeting with Prime Minister Palme in Helsinki, they have made good progress. One can say they show continuity, stability, and dynamism.

Question: Sweden and the GDR have a common interest in preventing any further pollution of the Baltic. What specific, perhaps joint, measures could be taken here?

Answer: We devote considerable attention to these questions. Above all since the beginning of the seventies the GDR has taken specific measures to keep the Baltic unpolluted. They are closely linked to the implementation of the convention on the protection of the marine environment of the Baltic, of which our two states are signatories.

In this connection we also attach great importance to the more than 10 years of cooperation with the Kingdom of Sweden. It embraces a broad spectrum of common problems in environmental protection and water management. They range from the protection and rational use of natural resources, to new research in drinking water supply and sewage treatment, to the reclamation of agricultural and forestry land temporarily used for mining, to the application of modern processes involving technologies that have few waste products and the recovery of useful resources.

This cooperation should be further developed and also extended to other areas. I mean, for example, the further reduction of pollution of the Baltic coming from the land, the expansion of joint investigations into coordinated programs and procedures to determine the amount of pollution in the Baltic. It also includes the working out and the exchange of technological and technical information on the improvement of environmental conditions.

Question: The deployment of new nuclear weapons in Europe, just like the interruption of the Geneva talks on a reduction of nuclear medium-range weapons, has worsened the political climate in Europe. How could our two states help improve the climate?

Answer: The deployment of new U.S. nuclear missiles in Europe has indeed led to one of the most serious and dangerous strains in the period since World War II. The start of deployment removed the objective basis of the Geneva negotiations. Since the danger for the countries of our continent has increased, the GDR and her allies have drawn the conclusion that now an even greater effort is necessary to secure peace, remove mistrust, and return to detente. I refer to the proposals by the Warsaw Pact states in the Prague declaration and the Moscow statement. They present a comprehensive program to secure international trust, to reduce tension and above all to prevent a nuclear inferno. At the recent meeting of the highest representatives of the CEMA member-states in Moscow these proposals were again reaffirmed.

The Stockholm conference offers the opportunity to reduce military confrontation and thus to make the relations between states politically calculable again. The GDR and Sweden can contribute much to defending and preserving all that has been achieved in the seventies toward peaceful coexistence. Our countries have the opportunity to act in an exemplary manner in their dialogue and the development of the treaty and practical bilateral relations. Without doubt this has a beneficial effect on international affairs. Inthis light I also see the talks with Mr Palme.

Question: The Swedish Government is attempting to create a nuclear arms-free zone in northern Europe. Do you see any possibility -- although Denmark and Norway are NATO members -- of realizing this idea, even when Sweden believes that parts of the Soviet Union also have to be integrated into this zone?

Answer: The initiative for the creation of a nuclear arms-free zone in northern Europe has been supported by the GDR. That such zones would strengthen peace and security in Europe and contribute to the improvement of the situation is obvious. That is why the GDR as a member of the Warsaw Pact has repeatedly supported immediate and serious negotiations for the realization of the Finnish and Swedish proposals.

As far as the second part of your question is concerned, I would like to recall that the Soviet Union already made its position on this matter clear well over 1 year ago. It declared its readiness to examine a number of important measures with respect to its own territory, which borders on such a zone -- measures that would contribute to the strengthening of the nuclear weapons-free status of northern Europe.

Question: On 8 December 1982 the Swedish Government presented a proposal to create a 300-km-wide corridor free of tactical nuclear arms through Europe. All the Warsaw Pact states, including the GDR, reacted positively to this proposal. But the NATO states do not believe that the proposal would reduce the risk of a nuclear war. The neutral and nonaligned states also are skeptical of the proposal. Do these facts mean that the proposal has no political future and has, in practice, already died?

Answer: Since the Swedish proposal to create in Europe a zone free of tactical nuclear arms was rejected by the NATO states, I see, as you will understand, no real chance for the realization of this sensible idea in the near future. The GDR is keeping the Swedish proposal in mind. It continues to be ready to make its whole territory available as a zone free of tactical nuclear arms. An agreement on such a zone would have positive effects on the reduction of military confrontation and thus on the improvement of the international situation. No one today can pursue responsible politics without working to see that Europe becomes free of nuclear arms.

Question: Last year a Swedish parliamentary commission presented evidence, which it declared as fact without doubt, according to which Soviet submarines violated Swedish territorial waters. Opinion in Sweden holds that the Baltic and the northern part of Europe has gained in military strategic importance and that as a result the risk of a confrontation between the two military alliances in this part of Europe has grown. Does the GDR, as a Baltic state, share these fears? If so, what measures could be taken to reduce these tensions?

Answer: As far as I am aware, the USSR has stated its view on the report you mentioned by a Swedish parliamentary commission. You will understand that I cannot add anything to that. This all the more, as a while ago there were reports in the Western media that an FRG submarine had been forced to surface in Swedish waters.

As a state bordering the Baltic, the GDR has always made numerous efforts to keep the Baltic a sea of peace and international understanding. We are all the more concerned, therefore, at NATO's efforts to also include the northern part of our continent to a greater degree in its military strategic planning against the socialist states. Proof of this can be found in the steadily increasing maneuvers, both in size and intensity, which are being undertaken by NATO in the North Sea and in the Baltic.

With the start of the deployment of new U.S. nuclear medium-range missiles in Western Europe, including in one of the states bordering the Baltic -- the FRG -- the risk of a confrontation between the two military alliances has grown considerably. To reduce this, steps for military detente, for arms limitation and disarmament according to the principle of equality and equal security are urgently required. Account is taken of this in the proposals presented by the GDR and the other socialist states. The conclusion of a nonaggression treaty between the European states, the establishment of nuclear-free zones, their supplementation by concrete military confidence-building measures would serve as a significant contribution to improving the international situation, to reducing the danger of a military confrontation on our continent, also in northern Europe.

Question: The GDR and its allies have frequently stressed that the deployment of new U.S. medium-range missiles in Western Europe would provoke military and political countermeasures. Hence, for some time, new Soviet missiles have been deployed in the GDR and the CSSR. However, how would you describe the political countermeasures which have already been taken or are planned?

Answer: After having seen the now complete military countermeasures, you can easily imagine that the arms spiral thus begun benefits none of the countries involved. Hence we are in favor of creating a situation whereby the U.S. medium-range missiles and the operative-tactical longer-range missiles deployed by the USSR, the GDR, and the CSSR can be dismantled. This would create a good basis for the resumption of negotiations between the Soviet Union and the United States on the whole issue of arms control and disarmament according to the principle of equality and equal security.

Question: You yourself have stressed that the deployment of new missiles, which is necessary as a countermeasure, is not exactly enthusiastically welcomed in the GDR. Why are the military measures in central Europe confined to these two and no other states in the Warsaw Pact? Would a further worsening of the political climate lead to other Warsaw Pact states being equipped with nuclear missiles?

Answer: The military countermeasures of the Soviet Union and its alliance partners on the territories of the GDR and the CSSR are appropriate to what is needed. They are aimed at not allowing a change of the military strategic balance in favor of the United States and NATO. As is well known, this balance has made a great contribution to the preservation of peace. After the start of the deployment of American first-strike weapons in Western Europe, which can reach the Soviet Union in just a few minutes, the Warsaw Pact states had no other choice than to create a counterbalance to this threat. Again and again we have said that our countermeasures are limited strictly to the levels dictated by the arms buildup of the United States and NATO. All striving for military superiority is alien to the socialist states. No one would benefit from a further worsening of the international climate.

The question of whether further military measures on our side will become necessary or not, depends, as you can see from all the information, solely on the United States and the Western deployment countries, including the FRG.

Question: It has been said frequently in Moscow that the precondition for the resumption of new negotiations on nuclear medium-range missiles is the removal of all the Pershing II and cruise missiles that have already been deployed. Is this demand to be seen as final and absolute? Do you see any opportunities, for example, through the integration of the negotiations on nuclear strategic and medium-range weapons, for breaking through the present stalemate?

Answer: We still think the situation can be reversed. This is not, however, a question of the form or structure of negotiations, for instance of the integration of strategic and medium-range weapons negotiations. The start of deployment of American first-strike weapons in Western Europe withdrew the basis of these negotiations. The United States was solely concerned to begin and continue the deployment of its new nuclear missiles at any price, in order to achieve military superiority.

Konstantin Chernenko in a recent PRAVDA interview referred once again to the Soviet proposals for a wide-ranging reduction of nuclear arms, the implementation of which would damage nobody's interest. The USSR, he said, favors the serious discussion of these issues at the negotiation table, as soon as the American side withdraws the negotiating conditions it has imposed, which amount to an ultimatum. A positive change in the stance of the United States and its allies in this direction would not be without a response from the Soviet side.

Question: At this time, in which the relations between the Soviet Union and the United States are overshadowed with mistrust and are worse than before, you and Chancellor Helmut Kohl last year gave a cautiously positive assessment of the relations between the two German states. The contacts are continuing at top level this year as well. Is there still -- in spite of the overall international climate -- some scope for an intra-German political climate? And if this is so, how would you define the limits of this scope?

Answer: The development of relations between the GDR and the FRG depends of course primarily on the development of relations between the Warsaw Pact countries and those of NATO, which, as is well known, were put under a severe strain by the start of missile deployment on the basis of the Brussels NATO decision. Since, against the will of the peoples involved, there has as yet been no change in the stance of the United States and the deploying countries, one cannot rule out a further worsening of the international situation. Such a worsening of what you have called the "overall international climate" would have a negative effect not only on relations between the GDR and the FRG, but also on international relations.

Question: Since about the middle of February, some 15,000 GDR citizens have been given permission to leave your country and to travel to the FRG. According to official statements, this is happening on the basis of the final document of the Madrid meeting. Is one to interpret this as meaning that a legal basis has been created which will make future emigration possible at the same levels? What is the reason for not permitting the emigrants ever to return to the GDR?

Answer: I am not sure why you bring this question up, particularly as even I myself do not know how many GDR citizens were able to emigrate to western countries this year on the basis of the Helsinki Final Act, within the framework of family reunions. The material available to me indicates that between 53,000 and 60,000 FRG citizens emigrate each year, without much fuss being made in other countries.

What your question has to do with relations between the GDR and Sweden I cannot understand with the best will in the world. Moreover, there are, one imagines, people in every country who feel they can improve their lot elsewhere.

Question: You have stressed that a precondition for a visit by you to the FRG is a climate which can create "objective and progressive results." Do you take the view that such a climate exists and that hence a visit is possible this year?

Answer: I have no intention of indulging in speculation about whether I shall be visiting the FRG this year or not. As I see it, that is above all a question of the further development of relations between the GDR and FRG.

Question: According to statistics, the GDR has shown better economic development than most of the other socialist states. How would you explain this gratifying fact?

Answer: In recent years, the economic growth of the CEMA countries has been above the levels in leading capitalist states, including the United States and the EEC in spite of complicated external conditions. Our countries occupy about 19 percent of the earth's surface. Their 455 million people represent just one-tenth of the world's population, but they produce a third of industrial production a quarter of the produced national income of the earth. The per capita level alone of the industrial production of CEMA countries is three times higher than the world average.

The GDR relies on close cooperation with the Soviet Union and with the other CEMA states. Thus it is possible for us to solve the wide-ranging tasks of our economic and social policies. As you know, 70 percent of our exports go to the socialist countries and 30 percent to the nonsocialist economic areas.

Increasingly the GDR is able to broaden the intensification of production, to accelerate scientific-technological progress, and to exploit it better in the economy. Hence we can consistently pursue our social policy at a time when in the capitalist countries unemployment and social cutbacks are increasingly the order of the day. In socialism, the economy is not an end in itself, it serves the good of the people. For us, intensification and social progress are two sides of one coin. The knowledge that good work benefits for the individual makes people prepared to use their knowledge, skill, and energy for further growth in economic performance.

COMMENTARIES ON U.S.-USSR SPACE TALKS EXCHANGE

Talks Would Ease Tension

LD012042 Zagreb Domestic Service in Serbo-Croatian 1700 GMT 1 Jul 84

[Text] Our foreign political commentary is devoted to the question of whether Soviet-U.S. negotiations on space are in the offing or not. The United States has accepted the Soviet proposal but is stipulating that the Soviet Union reconsider its stand on nuclear arms negotiations. However, it cannot be said with certainty whether Washington is imposing conditions on the negotiations which should start in September. Here is Milika Sundic:

[Sundic] Moscow called for a speedy and positive reply from Washington to its proposal that the United States and the Soviet Uion start negotiations on banning space weapons, and received it in less than 24 hours. On the whole the reply is positive, containing, however, one demand that Moscow will probably not accept. The Soviet Union is asked to reexamine the possibility of resuming negotiations on strategic arms reduction which were broken off at the end of last year, when it became clear that the United States was not prepared to rescind its decision to deploy Pershing and cruise missiles in Western Europe. The U.S. reply to the Soviet proposal does not imply that the United States is linking its agreement to start negotiations on banning space weapons with the Soviet return to the Geneva strategic arms reduction negotiations, which leads to the conclusion that negotiations between the two countries on space weapons will start as early as September.

If this turns out to be true, it will mean that relations between the two superpowers are entering a period of some easing of tension which, in recent months, has reached its highest point in practically every aspect of bilateral communication.

The Soviet initiatives and the fast reply by the United States came about as a result of recent meetings between Soviet Ambassador in Washington Dobrynin and U.S. Secretary of State Shultz when, according to Dobrynin's statement, the two sides discussed numerous problems pertaining to Soviet-U.S. relations. However, it is possible that this was not the only point of contact between the two sides, since Reagan has recently stated that the United States and the Soviet Union have been maintaining constant communication with each other. The other day Reagan also spoke about the need to improve Soviet-U.S. links referring above all to the better use of the so-called hot line between the Kremlin and the White House.

The Soviet proposal that the two sides start negotiations on banning the use of space fo military purposes also includes the offer that on the day when negotiations are due to start, a moratorium be imposed on the production and testing of space weapons. Accordin to the Soviet Government, this would have a positive effect on the course and outcome of the negotiations on space weapons. However, it is not quite certain whether any problem would arise in this respect, since the United States has already tested some of its space weapons and President Reagan has succeeded in obtaining resources, admittedly relatively modest, for such a program. It is not known whether the Soviet Union has car ried out similar tests. The West claims that it has. Still, the fact that in the present situation the two superpowers are about to reach agreement on at least something is encouraging.

If the negotiations on banning the use of space for military purposes start at some stage, and if they yield certain results, this would have positive effect on relations between the two superpowers, if not straight away then at least in the foreseeable future. Moscow's judgment is -- as indeed judgments of many observers are -- that Reaga will most probably be reelected U.S. President. The fact that a Soviet-U.S. summit meet ing has not taken place so far and that it is not likely to take place during Reagan's present mandate does not at all mean that Moscow is not considering talks with Reagan during his second mandate. It would be very dangerous if both sides were not to pay the same degree of attention to all this and were to allow their rivalry to distance them from their duty to world peace.

USSR Proposal Tests Reagan

LD301254 Warsaw PAP in English 1115 GMT 30 Jun 84

["'Disarmament: Deeds, Not Words' by PAP Commentator Andrzej Rayzacher" -- PAP headline

[Text] Warsaw 29 June -- President Ronald Reagan has been recently giving a lot of space in his speeches to dialogue, security and peace. Now the U.S. President will have an opportunity to prove his solemn declarations with deeds.

On Friday, the TASS news agency announced a Soviet Government proposal to open negotiations with the U.S. in Vienna in September on preventing the militarization of outer space, including mutual renunciation of the development of anti-satellite systems.

The USSR also offered a moratorium on space weapons tests and deployment until the start of the talks. In this way Moscow gave a concrete shape to Konstantin Chernenko's recent proposals addressed to the U.S. on the issue.

The USSR had twice submitted to the U.N. drafts of conventions banning the militarization of space. The U.S. broke off bilaterial consultations on the subject and refused to join in multilateral talks.

Meanwhile, time is running high as the realization of "star wars" plans creates not only irreversible, accomplished facts but forces the other side to take appropriate countermeasures.

Most clearly, the USSR wants to avoid this and extends an invitation to the negotiating table. Will Reagan prove that he is serious about his latest declarations?

Apparent Change in U.S. Stance

LD301154 Budapest Domestic Service in Hungarian 0500 GMT 30 Jun 84

[Text] The Soviet Union has proposed to the United States that they start talks in September in Vienna on the banning of weapons in space. The Americans have accepted this in principle. Our correspondent in Moscow, Geza Foldvari, outlines the Soviet proposal:

[Begin Feldvari recording] The talks would seek agreement to mutually and fully renounce the sputnik-destroying weapons, to close off every channel of the militarization of space. In other words, human-guided and automatic systems, conventional, nuclear, laser and radiation weapons serving military purposes would not be sent up and stationed. No space means of any kind that might serve the destruction of antimissile defenses, satellites, and targets on land and in the air would be produced, tested, or stationed. These would be destroyed and the use of force in space, from space against land objects, and from (?land) against space objects, would be banned forever. The banning of this class of weapons would enable reliable control, with the unconditional observance of the commitments we undertake. The Soviet Union also proposes that from the start of the talks, arranged through diplomatic channels, such weapons tests and stationing would be mutually frozen. At the same time, it would welcome other states joining in the moratorium. Great responsibility for the preservation of peaceful space rests with the two countries, which hold a leading role in the conquest of space. For precisely this reason, the Soviet Union awaits an immediate and favorable response from the United States to its proposal on this important issue, the Soviet Government statement says. [end recording]

Our correspondent in New York, Elemer Csak, outlines the American reaction.

[Begin Csak recording] After a consultation of several hours, the Reagan administration has accepted the Soviet negotiating proposal on the banning of weapons in space. The decision was outlined by National Security Adviser Robert McFarlane.

[Recording of McFarlane in background speaking in English, fading into translation] The U.S. Administration has informed the Government of the Soviet Union that it is ready to meet representatives of the Soviet Union in September at a venue convenient to the other side, McFarlane said. Interpreting the positive decision, the national security adviser made it known that the American side primarily wants to hold talks on negotiations, and its intention is to list the intercontinental strategic missiles in the category of space weapons; its number originally was to be regulated by the SALT agreement.

In this regard, American observers point out that the Washington administration, which has constantly emphasized a readiness to talk, has been compelled to accept the Soviet proposal.

It appears that it already is looking for a way out, with its differing evaluation of the topic of talks. The Moscow proposal is important. As the commentator of CBS television emphasizes, the seriousness of the proposal is indicated by the fact that the Soviet Union has designated a specific time, at the place where the last Soviet-American arms control agreement was signed. [end recording]

There follows a commentary by our foreign political editor, Istvan Kulcsar:

[Begin Kulcsar recording] Obviously, we will be able to feel true pleasure if an agreement really is reached sometime, or at least an exchange of views gets underway on the banning of space weapons. The American announcement is not yet equivalent to the start of negotiations, all the less so, since it contains a tie-in counterproposal. As we have heard, it also wants to draw nonspace weapons into the negotiations aimed at preventing space armaments and at banning related weapons. Nevertheless, irrespective of the true reasons motivating the American response, of diplomatic or domestic political factors, the Washington announcement appears to be a change, in comparison to the previous stance, when President Reagan simply rejected the Soviet proposals to avert the militarization of space. One swallow does not make a summer, goes the saying. With all this, if the Soviet-American talks on the proposed topic really were to get underway in Vienna in September, at least the two leading great powers, between whom every such exchange of views has stopped in the past years, would conduct an arms control dialogue with one another. [end recording]

U.S. Denies Preconditions

LD301322 Budapest Domestic Service in Hungarian 1200 GMT 30 Jun 84

[Text] A staff member of the American Administration has denied that Washington is willing to hold talks on the most recent Soviet disarmament proposal only with preconditions. The official stated that at the meeting, apart from the proposed topic of space armaments, the Soviet Union also can raise disarmament topics that it wants to discuss. He added that at the same time, Washington opposes the Soviet proposal for a full ban on satellite-destroying weapons because, according to the American Government, this cannot be controlled anyway. The stance was necessary because several Western news agencies said the American Government statement had made the acceptance of negotiations contingent on the discussion of the topic of strategic and medium-range missile weapons.

Desired U.S. Agenda Unclear

LD301726 Budapest Domestic Service in Hungarian 1500 GMT 30 Jun 84

[Text] According to all the indications, in accordance with the Soviet Union's latest proposal, Soviet-American discussions may begin in September on the limitation of antisatellite weapons. For, in fact, the Washington government has accepted Moscow's initiative, although for the time being it is not clear what the Americans really want to talk about. A White House spokesman has said that not only speace weapons but all other weapons too will have to be discussed at the planned talks. This could be interpreted to mean that Washington wishes to smuggle into the talks those topics which the Soviet Union, in the present circumstances, does not want to discuss with the United States. In fact, Moscow is of the view that, for instance, the matter of medium-range missiles is only worth debating if the United States, as a token of its willingness for agreement, does not continue [as heard] missile deployment in Western Europe.

Flaws in U.S. Response

LD301854 Budapest Domestic Service in Hungarian 1630 GMT 30 Jun 84

[Text] Political observers in Washington are evaluating in different ways the White House's favorable response to the USSR's proposal for the limitation of armaments in space. According to this response, the United States is ready to begin discussions about space weapons in September, but the fact that the Reagan administration wants to link the talks with the missile discussions is raising doubts with many people. The other flaw in the U.S. response is that it arose out of necessity, for as observers point out, the House of Representatives refused to grant the budget needed for the development of the U.S. satellite-destruction system, while the Senate assented to it only on the condition that Reagan express his willingness for discussions.

Because of all this the developments are being followed with great interest worldwide. British radio, for example, has noted that the Soviet side has taken President Reagan at his word; he is perpetually saying that he is willing to talk about arms limitation anywhere and at any time. The Italian papers recall that the USSR in recent months made several proposals for similar talks. This time it may become clear whether behind the U.S. pronouncements there lies the interest of the elections, or whether Washington is really at last ready for talks. According to Austrian radio's Moscow correspondent, with this step the USSR has once again regained the initiative in international politics.

Talks Will Resume Dialogue

LD302049 Budapest Television Service in Hungarian 1800 GMT 30 Jun 84

[Text] The United States has in principle accepted the proposal of the Soviet Union to resume talks in September on banning space weapons. Moscow, as is known, has made a comprehensive proposal for blocking all channels which lead to the militarization of space.

[Unidentified female correspondent] The surprisingly rapid reply was announced by Robert McFarlane, assistant to the President for national security affairs. As he said, the American Government is ready to meet in September representatives of the Soviet Union to -- and we quote him here -- negotiate about negotiations for banning weapons in space. It also became clear from his words that the United States places strategic intercontinental missiles in this category as well, although intercontinental strategic missiles are supposed to be controlled by the SALT agreement. At first sight it may look strange that this announcement was explained immediately by several commentators in several ways, but it is an old story that it is never the fault of those who explain.

Among the commentators of the big Western news agencies many interpret the announcement as meaning that the United States is ready to have a dialogue about space weapons only together with the resumption of the Geneva talks on medium-range missiles. Other commentators, on the other hand, quoting an unnamed American Government official, claim that Reagan and his men have no preconditions. It is certain that the road is not going to be smooth until the September talks which will probably take place in Vienna, but it would be a pity to dismiss the not insignificant fact that signs indicate the space dialogue will begin after all. Moreover, with this the dialogue, too, will begin, for dialogue has been suspended in every other Soviet-American arms control forum. In respect of this concrete topic it cannot be considered accidental that the Soviet head of state has several times within a few weeks raised the proposal which was first made in the autumn.

He dealt with this subject, for example, in a discussion with American scientists and in his statement to PRAVDA. The reason for this is very simple. Moscow wishes to prevent the expansion of armaments into a new sphere, into space. It also provided an example of its intentions when it undertook not to deploy satellite-destroying weapons in space as long as other countries also refrain. The Soviet Union, however, considers this only as a first step and is seeking to achieve a complete ban while star wars can still be prevented. This view coincides with those sober American opinions which expressed concern at the time of the successful American space weapon experiments that were carried out recently. These displayed an anxiety because, in their opinion, too, the risk of war in space is excessively high, and they are also worried -- and here the adjective is particularly appropriate -- about the astronomical costs.

U.S. Preconditions Unacceptable

LD011109 Budapest Domestic Service in Hungarian 1000 GMT 1 Jul 84

[Text] The Soviet Union has not received a satisfactory U.S. response to its proposal that they should start talks on the prevention of the militarization of space. The TASS statement points out that besides the militarization of space, the United States also wants to hold talks on European medium-range missiles and strategic weapons. However, this precondition is unacceptable for the Soviet Union, because the mentioned discussions have broken off precisely because of the U.S. missiles deployment.

Thus far, the U.S. Administration has not made any concrete step in the interest of these talks continuing. The Soviet news agency finally emphasizes that the Soviet Union invariably adheres to its proposals regarding the prevention of the militarization of space, but it rejects the attempt to draw medium-range missiles into the possible talks.

U.S. Reply Proves Hypocrisy

LD012049 Prague Television Service in Czech and Slovak 1730 GMT 1 Jul 84

[Unattributed commentary]

[Text] In the United States the role of a peacemaker has always been part of the propaganda repertoire of all presidential candidates. Therefore, why should not Reagan add this one to his hundred or so previous film and political roles? There would not be anything unusual about it. However, what takes one aback is the degree of hypocrisy with which he has been turning things upside down and ignoring facts. What also takes one aback is his audacious certainty that people are so forgetful and naive that they will believe anything. Only yesterday he was preaching a crusade against communism. Only recently he was forecasting that socialism would end on the trash heap of history. He proclaimed a military doctrine of severing the head of the Soviet Union. Now he is pretending that he is overflowing with good will and honorable intentions toward the USSR.

Of course, far worse than verbal attacks against the Soviet Union and socialism in general are the actions of the Reagan administration against understanding and peace. Let us take for example the key issue of the limitation of both superpowers' strategic arsenals. The United States not only thwarted the treaty by demanding as an ultimatum the elimination of ground-launched missiles alone -- which form the bulk of the Soviet Union's strategic forces, but which are only a small part of the U.S. arsenal -- but also prior to and during the relevant talks in Geneva, the United States systematically violated the existing agreements on limiting strategic weapons.

For instance, it camouflaged numerous launch silos, secretly replaced the Minuteman II missiles with the improved Minuteman III version with independently targetable nuclear warheads, and built another large radar installation on the Aleutian Islands. Then came the deployment of the first-strike nuclear weapons in Western Europe, South Korea, and Japan, the development of the new MX nuclear missile system as well as of anti-missile and antisatellite and other kinds of space weapons.

Yesterday the Reagan administration gave another demonstration of its hypocrisy when it welcomed verbally the new Soviet proposals to open talks on measures that would prevent the militarization of space, but made its agreement conditional on the broadening of the agenda by including strategic weapons, that is, the very negotiations the United States already thwarted. Since the United States has not yet removed any of the causes of the suspension of the talks, this condition means that the United States wants to avoid the talks on averting the militarization of space and that it is not interested in halting the feverish arms buildup.

Another Demagogic Proposal

AU011331 Tirana ATA in English 0900 GMT 1 Jul 84

[Text] Tirana, July 1 (ATA) -- The Soviet Union once again expressed its aim to coordinate its military activity with the United States and called on Washington to begin a new Soviet-American dialogue concerning the armament race in space. According to a statement of the Soviet Government, broadcast by the news agency TASS, Moscow demands from Washington to begin immediately the Soviet-American talks and it even suggests the date and the place of these talks.

The new Soviet proposal, which is done right after the clamorous statements of Chernenko on the alleged desire of the Soviet Union to demilitarize the space, is added to the long chain of mutual demagogic proposals through which Washington and Moscow try to conceal their open war preparations.

MALILE RECEIVES LAOTIAN FOREIGN MINISTRY GROUP

AU291359 Tirana Domestic Service in Albanian 1230 GMT 29 Jun 84

[Text] Minister of Foreign Affairs Reis Malile has received the delegation of the Ministry of Foreign Affairs of the People's Democratic Republic of Laos led by Vice-Minister Souban Salitthilat, and had a friendly talk with him. The meeting was also attended by Kongkeo Phanouvong, ambassador extraordinary and plenipotentiary of the People's Democratic Republic of Laos to the People's Socialist Republic of Albania.

KAPLLANI, GREEK OFFICIALS DISCUSS DEEPENING TIES

AU291902 Tirana Domestic Service in Albanian 1800 GMT 29 Jun 84

[Text] Talks were held in Athens between Muhamet Kapllani, deputy minister of foreign affairs of Albania, and Karolos Papoulias, first alternate foreign minister of Greece. Opinions were exchanged on problems of mutual interest and both sides expressed the desire to further develop relations between both countries in the spirit of friendship and good-neighborliness in trade, culture, science, and other fields.

The talks were attended by Ksenofon Nushi, ambassador extraordinary and plenipotentiary of the People's Socialist Republic of Albania to the Republic of Greece, Apostolos Papasliotis, ambassador extraordinary and plenipotentiary of the Republic of Greece to the People's Socialist Republic of Albania, and others.

Today Greek Foreign Minister Iaonnis Kharalambopoulos received Muhamet Kapllani, deputy minister of foreign affairs of the People's Socialist Republic of Albania, who is in Athens at the invitation of the Greek side. The meeting, which took place in a friendly atmosphere, was also attended by Karolos Paopoulias and Ambassador Apostolos Papasliotis Ksenofon Nushi, ambassador extraordinary and plenipotentiary of the People's Socialist Republic of Albania to the Republic of Greece, was also present.

ALIA ATTENDS HOSPITAL INAUGUARATION IN SHKOPER

AU291420 Tirana Domestic Service in Albania 1800 GMT 28 Jun 84

[Excerpt] On the eve of the 22d Shkoder District AWP Conference, a new obstetric and gynecological hospital was inaugurated in Shkoder. The ceremony on this occasion was attended by Ramiz Alia, AWP Central Committee secretary and chairman of the Presidium of the People's Assembly of the People's Socialist Republic of Albania. The inauguratic ribbon was cut by Minister of Health Ajli Alushani.

Comrade Ramiz Alia had a talk with cadres and personnel of the health sector and pointed out the importance of this new hospital as a center which will contribute to further improving the standard of service in protecting the health of mothers and children.

BRIEFS

NEW ENVOY TO EGYPT -- By decree of the Presidium of the People's Assembly of the People's Socialist Republic of Albania, Comrade Alkyz Cerga has been appointed ambassador extraordinary and plenipotentiary of the People's Socialist Republic of Albania to the Arab Republic of Egypt in place of Comrade Murat Angoni. [Text] [Tirana Domestic Service in Albanian 1800 GMT 18 Jun 84 AU]

LAWYER CONSOLO CLAIMS CLEAR ALIBI FOR ANTONOV

AU290801 Sofia BTA in English 2049 GMT 28 Jun 84

[Text] Sofia, June 28 (BTA) -- The accusation of the prosecution against my client Sergey Antonov and the other two Bulgarians is so flimsy that it will collapse before the court. The Italian lawyer, Prof. Giuseppe Consolo, counsel for the defence of the Bulgarian citizen Sergey Antonov unjustifiably detained in Italy said.

In his interview for the ASSOCIATED PRESS agency Prof Consolo stresses that Sergey Antonov has "a clear alibi" proving that he is totally innocent. He had never seen Agca before the two of them were confronted during the investigation and he has a "clear alibi" for the day of the assault, the Italian lawyer continues. Two Italian witnesses have given evidence that during that day Antonov was in his office. If the prosecution does not believe their evidence according to Italian law they should have been arrested for committing perjury. However, they have not been arrested", Prof Consolo said. [quotation marks as received]

In his interview Consolo confirms that the information which leaked out about the content of the report of Prosecutor Antonio Albano, which according to Italian law is a secret of the investigation, largely conforms with the actual content of this document. As is known excerpts from this report have been published in THE NEW YORK TIMES and elsewhere and an investigation of how this information has leaked out has now been started in Italy.

Further on Prof Consolo stresses that the investigation is almost totally based on the allegations of Mehmet Ali Agca -- an assassin sentenced to imprisonment for life. Prof Consolo defines Agca as a "completely unreliable witness".

ZHIVKOV RECEIVES U.S. AMBASSADOR ON DEPARTURE

AU271425 Sofia RABOTNICHESKO DELO in Bulgarian 26 Jun 84 p 1

[Text] On 25 June Todor Zhivkov, chairman of the State Council, received Robert L. Barry, U.S. ambassador to Bulgaria, in connection with his final departure from Bulgaria. The meeting was attended by Petur Mladenov, minister of foreign affairs.

FILIPOV MEETS GHANAIAN LEADERS ON AFRICAN TOUR

Arrives 28 June

AU290811 Sofia BTA in English 0601 GMT 29 Jun 84

[Text] Accra, June 29 (BTA special corr) -- A Bulgarian Government delegation headed by Mr Grisha Filipov, chairman of the Ministerial Council, arrived last night here on an official visit at the invitation of the Government of the Republic of Ghana.
At the airport the delegation was welcomed by the coordination secretary of the Provisional Council for National Defense, Mr Paul Victor Obeng.

Before the Ghanaian mass media, Mr Grisha Filipov expressed the Bulgarian satisfaction with the state of Bulgaro-Ghanaian relations. We are convinced that good prospects lie ahead for the expansion of cooperation in the political, the economic and the cultural sphere, he said.

Bulgaro-Ghanaian relations are traditionally good. The foundations of the cooperation between the two countries were laid by Mr Todor Zhivkov and Dr kwame Nkrumah two decades ago.

Signs Cooperation Protocol

AU292014 Sofia BTA in English 1855 GMT 29 Jun 84

[Text] Accra, June 29 BTA) -- The official Bulgaro-Ghanaian talks were held today. Mr Paul Victor Obeng, coordinational secretary of the Provisional Council for National Defence, and Bulgarian Prime Minister Grisha Filipov made a detailed analysis of the state of bilateral cooperation. They came to the conclusion that it can be considerably broadened in the spheres of agriculture, the building and the food industry.

The talks paid special attention to the most topical issues of our times as well as to the foreign policies of the two countries. Mr Grisha Filipov pointed out that today the aggressive course of imperialism and above all of the United States poses an extreme danger to peace and to the security of the peoples. The commenced deployment of U.S. medium range nuclear missiles in some West European countries is a great threat to peace. The Bulgarian prime minister acquainted the Ghanaian delegation to the talks with Mr Todor Zhivkov's initiative for turning the Balkans into a nuclear-weapon-free zone. Mr Paul Victor Obeng pointed out that Ghana makes constant efforts to consolidate the Organisation for African Unity.

Mr Grisha Filipov was received by Captain Jerry Rawlings, president of the Provisional Council for National Defence, who gave a high assessment to the relations between the two countries. The Bulgaro-Ghanaian talks were held in a cordial, friendly atmosphere. Identical or similar attitudes were expressed on the main issues discussed. A protocol for cooperation was signed.

Today the Bulgarian delegation leaves Ghana.

Ends Visit

AU292022 Sofia Domestic Service in Bulgarian 1730 GMT 29 Jun 84

[Text] With the signing of a Bulgarian-Ghanaian communique and of three documents, the official visit of a Bulgarian delegation led by Comrade Grisha Filipov to the Republic of Ghana ended this afternoon. Following the official talks, a protocol on economic and scientific-technical cooperation was signed. The two sides agreed that this document (?should) be dovetailed with their annual plans. An agreement on easing requirements for visas and on cooperation between the Bulgarian Committee for Television and Radio and the Ghanaian Radio Broadcasting Corporation were also signed.

Afterward, Grisha Filipov met Captain Jerry Rawlings, chairman of the Provisional Council for National Defense. During the talks a common desire was expressed to further develop cooperation in various spheres. Jerry Rawlings expressed gratitude for Bulgaria's assistance to Ghana. Comrade Grisha Filipov presented a personal message from Todor Zhivkov to Jerry Rawlings.

The Ghanaian leader gave a brief interview to Bulgarian television and radio in which he outlined the basic tasks of the Ghanaian people in building a (?better) life.

The Bulgarian delegation later left Ghana for Luanda. The delegation was seen off by [name indistinct] and by other officials.

TODOROV, TANCHEV RECEIVE INDIAN PARLIAMENTARIAN

AU291934 Sofia BTA in English 1850 GMT 29 Jun 84

[Text] Sofia, Jun 29 (BTA) -- Today Mr Stanko Todorov, chairman of the National Assembly, and Mr Balram Jakhar, speaker of the House of the People of the Indian Parliament gave a positive assessment to the contacts between the two parliaments which are a result of the favourable climate between Bulgaria and India. They laid emphasis on the important role of the personal contacts between the state leaders of the two countries and stressed that all conditions exist for a further development and broadening of bilateral economic relations, of the bilaterial contacts in all spheres of life.

Mr Stanko Todorov and Mr Balram Jakhar pointed to the role of the parliaments in the preservation of peace and for understanding among peoples. Dwelling on some internal problems of India, the Indian guest made it clear that his country will not allow for the reactionary forces from without to interfere in its internal affairs.

Mr Petur Tanchev, first vice president of the State Council, who received Mr Balram Jakhar further on during the day, gave a high assessment to the initiative of five countries, including India, for ceasing the tests, production and deployment of nuclear weapons as well as of the systems used for their transportation. In this connection he defined India as a colossus of peace not only in the region of the Indian Ocean but in the whole world.

Dwelling on bilateral relations, Mr Petur Tanchev and Mr Balram Jakhar concentrated their attention on broadening cooperation in the sphere of the light industry and agriculture.

Jakhar Departs 1 July

AU011545 Sofia Domestic Service in Bulgarian 1500 GMT 1 Jul 84

[Text] Balram Jakhar, speaker of the House of the People of the Indian Parliament, who visited Bulgaria at the invitation of the National Assembly, has departed from the country.

At Sofia airport he was seen off by Stanko Todorov, chairman of the National Assembly. Tocho Tochev and Baglodi Deva Rao, the two countries' ambassadors, were also at the airport.

ZAREV SEES OFF DEPARTING SYRIAN CP DELEGATION

AU011757 Sofia Domestic Service in Bulgarian 1730 GMT 1 Jul 84

[Text] The delegation of the Syrian Communist Party Central Committee led by Yusuf Faisal, deputy secretary general of the party Central Committee, which visited Bulgaria at the invitation of the BCP Central Committee, departed today from the country. The guests were seen off at Sofia airport by Kiril Zarev, BCP Central Committee secretary.

HEALTH DELEGATION PAYS OFFICIAL VISIT TO CYPRUS

For Nicosia coverage of the visit to Cyprus by Public Health Minister Radoy Petrov Popivanov and Deputy Public Health Minister Milyo Tsvetlo Milev, including their visit with Acting President of the Republic of Cyprus Khristos Ladhas and the signing of a cooperation agreement, see the Cyprus section of the 2 July Western Europe DAILY REPORT.

STATE COUNCIL AWARDS IRAQI CP SECRETARY

AU301917 Sofia Domestic Service in Bulgarian 1730 GMT 30 Jun 84

[Text] The State Council has issued a decree presenting to 'Aziz Muhammad, first secretary of the Iraqi Communist Party Central Committee, the Georgi Dimitrov Order for his contribution to the struggle against imperialism and Zionism, to the strengthening of the unity of the international communist and workers movement, and to the development of the friendship and cooperation between the BCP and the Iraqi Communist Party and between the Iraqi and Bulgarian peoples, and in connection with his 60th birthday.

TRANSPORTATION AGREEMENT SIGNED WITH USSR

AU292032 Sofia Domestic Service in Bulgarian 1730 GMT 29 Jun 84

[Text] A protocol on the work and results of the 11th session of the Bulgarian-Soviet working group on economic and scientific-technical cooperation in the transportation sphere was signed at the Hotel International near Varna today. The Bulgarian delegation was led by Vasil Tsanov, minister of transportation, and the Soviet delegation by Viktor Biryukov, deputy chairman of the Soviet State Planning Committee. The agreements on the mutual transportation of cargo between the two countries were reviewed, and measures were outlined to increase the relative share of modern technology in the transportation of large quantities of cargo and to more fully exploit the ferryboat sea line. The sizes of the cargoes which will be transported by the two countries' transportation systems were also coordinated.

MACHINE-BUILDING COOPERATION WITH USSR OUTLINED

AU291935 Sofia BTA in English 1848 GMT 29 Jun 84

[Text] Sofia, June 20 (BTA) -- The main trends of cooperation between Bulgaria and the Soviet Union in the sphere of machine-building in the years of the ninth five year period (1986-1990) and to the end of the century have been outlined. This was done during the visit of a Soviet governmental delegation headed by Mr. Aleksey Antonov, deputy chairman of the Ministerial Council.

Today the leader of the Soviet delegation and Mr. Ognyan Doynov, member of the Politburo and secretary of the CC of the BCP and minister of machine-building, signed documents on the talks held which reflect the wish of the two countries with the decisions adopted at the Moscow economic summit session of the CMEA member countries. Tomorrow the delegation leaves this country.

Antonov Delegation Departs

AU301440 Sofia Domestic Service in Bulgarian 1400 GMT 30 Jun 84

[Text] The Soviet governmental delegation led by Aleksey Antonov, deputy chairman of the USSR Council of Ministers, which paid a visit to Bulgaria at the invitation of the government, has left the country. The delegation was comprised of ministers from the machine-building ministries and other Soviet economic leaders. Talks connected with further deepening the cooperation and integration between Bulgaria and the Soviet Union were held. The delegation was seen off at Sofia airport by Comrades Ognyan Doynov, Andrey Lukanov, Foreign Trade Minister Khristo Khristov, and other officials.

ZHIVKOV CONGRATULATES NEW PCI LEADER NATTA

AU291137 Sofia RABOTNICHESKO DELO in Bulgarian 28 Jun 84 p 1

[Text] Todor Zhivkov, general secretary of the BCP Central Committee, has sent the following telegram to Alessandro Natta, secretary general of the PCI:

Esteemed Comrade Natta, I convey to you the most sincere congratulations on the occasion of your election to the post of PCI secretary general on behalf of the BCP Central Committee and on my own behalf.

I wish you health and happiness, as well as successful and fruitful work in this post which involves great responsibility for defending the basic interests of the working people in Italy.

I take advantage of this opportunity to express my conviction that the relations of friendship, cooperation, and solidarity between the BCP and the PCI will be consolidated and will develop for the sake of the struggle for peace, democracy, and socialism, as well as in the interest of the friendship existing between the Bulgarian and Italian peoples, and in the interest of mutually advantageous cooperation between Bulgaria and Italy.

ZHIVKOV GREETS MOZAMBIQUE LEADER ON NATIONAL DAY

AU271234 Sofia RABOTNICHESKO DELO in Bulgarian 25 Jun 84 p 1

[Text] Todor Zhivkov, chairman of the State Council and general secretary of the BCP Central Committee, has sent a telegram to Samora Moises Machel, chairman of the Mozambique Liberation Front [Frelimo] and president of the People's Republic of Mozambique, in which, on behalf of the BCP Central Committee, the State Council of the People's Republic of Bulgaria, and the Bulgarian people, he expresses cordial and sincere wishes and congratulations on the occasion of the national holiday of Mozambique.

The telegram further points out that the Bulgarian people are closely following the struggle waged by the heroic people of Mozambique under the leadership of the Frelimo party, their militant vanguard, to overcome the tremendous difficulties resulting from the heavy colonial legacy, from the actions of imperialism, as well as from the activities of the counterrevolutionary forces within the country, for the consolidation of their national independence, and for the construction of new life in the People's Republic of Mozambique, stressing that the Bulgarian people watch this struggle with feelings of admiration and militant solidarity.

The People's Republic of Bulgaria highly appreciates the contribution made by the people of Mozambique to the OAU, to the Nonaligned Movement, and to the United Nations Organization in consolidating the unity of the African peoples, in rallying all anti-imperialist forces and progressive elements in the struggle to preserve peace throughout the world.

Todor Zhivkov closes his telegram with the following words: I take advantage of this opportunity to express our confidence that the friendly relations between our two parties and countries will continue to strengthen and expand on the basis of our Friendship and Cooperation Treaty, to the benefit of both the Bulgarian and Mozambique peoples, as well as in the interest of our joint struggle against imperialism, neocolonialism, racism, and apartheid, for the triumph of peace and social progress throughout the world.

LEADERS ATTEND MEETINGS, SESSIONS 24-30 JUNE

AU301940 [Editorial Report] Sofia Domestic Service in Bulgarian, in its broadcasts from 24 to 30 June, notes the following appearances of Bulgarian leaders (time and date of broadcasts noted in parentheses):

Georgi Yordanov, candidate member of the BCP Central Committee Politburo, deputy chairman of the Council of Ministers, and chairman of the Committee for Culture, attended a meeting organized by Bulgarian and Soviet young amateur artists in Sofia (1500 GMT 25 June).

Pencho Kubadinski, member of the BCP Central Committee Politburo and chairman of the Fatherland Front National Council, attended a session of Bulgarian sports and tourist organizations in Sofia (1730 GMT 26 June).

Stoyan Mikhaylov, secretary of the BCP Central Committee, attended a session of the Bulgarian-Soviet young creative intelligentsia in Sofia (1730 GMT 27 June). Mikhaylov is also reported to have attended an okrug party committee session in Turgovishte (1500 GMT 28 June) and a plenum of the Music Workers Union held in Sofia (1300 GMT 29 June).

Dimitur Stoyanov, candidate member of the BCP Central Committee Politburo and minister of internal affairs, attended a conference on avoiding accidents caused by careless driving (1730 GMT 28 June).

Georgi Atanasov, Politburo candidate member and secretary of the BCP Central Committee, attended a plenum of the Central Control-Auditing Commission held in Sofia (1730 GMT 29 June).

BRIEFS

TOURISM PROTOCOL WITH GREECE -- Sofia, June 19 (BTA) -- The 10th session of the Bulgaro-Greek Commission for Tourism ended here today with the signing of a protocol. The two parties to the talks noted the positive development in the exchange of tourists over the two years which have elapsed since the 9th session. In 1983 alone, Bulgaria was visited by some 125 thousand Greek citizens and 74 thousand of them were organised tourists. In the same year 45 thousand Bulgarian citizens visited Greece. The programmes of the visits are constantly being diversified and additional ones are being worked out according to the interests and wishes of the tourists. In the period after the 9th session Bulgaria has imported from Greece various equipment for hotels, restaurants, camping sites as well as drinks, fruit, specialities and other foodstuffs for the tourist sites. [Excerpt] [Sofia BTA in English 1842 GMT 12 Jun 84 AU]

CHNOUPEK MEETS COLOMBIAN AMITY GROUP MEMBERS

LD292258 Prague Domestic Service in Czech 0730 GMT 29 Jun 84

[Excerpt] Czechoslovak Foreign Minister Bohuslav Chnoupek met representatives of the Society of Colombian-Czechoslovak Friendship during his official visit to Colombia. He acquainted himself with the work of this organization, which spreads information about the life and work of Czechoslovak peoples. Further possibilities for broadening cooperation between the organization and our institutions were discussed.

Invites Lloreda; Ends Visit

LD012127 Prague CTK in English 1938 GMT 1 Jul 84

[Text] Bogota July 1 (CTK) -- Czechoslovak Foreign Minister Bohuslav Chnoupek discussed bilateral relations and international topics with his Colombian colleague Rodrigo Lloreda Caicedo during his four-day official visit to Colombia. They agreed on the need to enhance the role of the United Nations. And expressed the determination of their countries to support all efforts aimed at the preservation of world peace, at lessening tension and settlement of all disputes through negotiations. The ministers expressed the need for concrete measures to halt the arms race, particularly nuclear, and to ban the use of force or threat of force in international relations.

Minister Chnoupek appreciated Colombia's activity in the Non-aligned Movement, and agreed with Minister Lloreda Caicedo that the movement is an important international factor in the struggle for peace, international security and cooperation between nations.

The Czechoslovak and Colombian foreign ministers affirmed support for the principles and objectives of the charter of economic rights and obligations of states, and underlined that they consider it indispensable for global talks to be held on the U.N. forum. They also voiced support for the restructuring of international economic relations and establishment of a new international economic order. The ministers discussed the situation in Central America, and Minister Chnoupek appreciated the role played by Colombia in the efforts of the Contadora Group which have the support of the Czechoslovak Government.

They considered the present state of bilateral relations in economy, trade, cultural, science and technology, and agreed that serious efforts must be made to increase exchanges. Czechoslovakia would increase imports of Columbian goods, and offer machinery for and participation in infrastructure projects in Colombia.

The Colombian foreign minister accepted the invitation to visit Czechoslovakia. During his visit Minister Chnoupek was received by Colombian President Belisario Betancourt.

ORTEGA: JACKSON SEEKS PEACEFUL SOLUTION IN C.A.

PA291807 Managua Domestic Service in Spanish 0300 GMT 29 Jun 84

[Text] Prague -- Before departing for Nicaragua, Commander of the Revolution Daniel Ortega Saavedra, top leader of the Sandinist People's Revolution, held a news conference in which he stressed that Jesse Jackson's visit to Central America and the Caribbean shows the concern that large U.S. sectors are interested in viewing the Central American problem along peaceful lines.

Ortega stated this at a news conference held in Prague at the end of a tour of socialist European countries.

Commander Ortega said that Jackson's remarks during his visit to Panama, El Salvador, Cuba, and Nicaragua indicate that a large U.S. sector wants a peaceful solution for Central America, a dialogue, and not a military solution such as that defended by the Reagan administration. He noted that Reagan's statement of support for peace efforts in Central America only seek electoral objectives. He wants to win the support of the voters who do not want a war.

After explaining that U.S. political-military aggression in Central America has destroyed the Contadora Group initiatives, Ortega noted that Washington has only the use of its own troops left. He said that Washington has everything ready to begin an intervention and emphasized that the greatest efforts must be made to mobilize the United States and the international public to stop U.S. intervention in Central America, particularly in Nicaragua. Commander Ortega said that a direct attack by U.S. forces in Central American countries must be avoided.

In conclusion, he remarked that promoting a true wave of world solidarity with Central American and the cause of its peoples is very important because the United States is endangering world peace.

ECUADORAN DEPUTY FOREIGN MINISTER VALDEZ VISITS

PA230054 Quito Radio Quito in Spanish 2300 GMT 22 Jun 84

[Text] Prague -- Upon completion of a meeting between Ecuadoran Deputy Foreign Minister Rodrigo Valdez and Acting Czechoslovak Foreign Minister Jindrich Rehorek, government [not further specified] sources today reported that Ecuadoran-Czechoslovak bilateral relations were deemed positive and on the increase. Valdez arrived here 21 June and will stay in Prague until next Saturday, during which time he will hold a series of political consultations on bilateral international topics.

STROUGAL CALLS FOR ARAB UNITY, PALESTINIAN STATE

PM291555 Damascus AL-BA'TH in Arabic 21 Jun 84 p 3

[Unattributed interview with CSSR Premier Dr Lubomir Strougal on 19 June in Damascus]

[Text] Question: How do you assess the current international situation, especially the recent developments in Europe?

Answer: The international situation is at present very complex. The following questions occur to every observer: What are the main features of the situation, and who is responsible?

The main guilty parties are the United States and its allies, including Israel. They all foment conflicts throughout the world and they arm, and arm heavily, throughout the world, at sea and in outer space, claiming that the whole world consists of zones of U.S. vital interests. The United States and its allies are hence exerting military as well as political and economic pressure. This undoubtedly reflects on all Europe. It is a known fact that the European NATO states are deploying U.S. tactical nuclear missiles which we consider to be "first-strike" missiles. Such missiles have been deployed near the Czechoslovak borders. We have taken some defensive measures and have deployed missiles in the CSSR and the GDR.

They are tactical missiles which generally strengthen our countries' defense capabilities. This was agreed during the recent Warsaw Pact meeting in Moscow.

It is not merely a question of military arrangements. We have made and continue to make numerous peaceful initiatives, mainly in connection with nuclear disarmament and the gradual reduction of conventional weapons. We give top priority to the question of withdrawal of the U.S. nuclear missiles recently deployed in Western Europe. Negotiations on these matters are in progress in Vienna and Stockholm. For known reasons, the Geneva negotiations on this matter have been suspended. The Soviet Union has made certain requests. They are a necessary precondition for the resumption of the U.S.-Soviet dialogue.

So, we do not only take military measures in our endeavor to confront the aggressive U.S. and NATO policy. We are compelled to take these measures because we do not want to be the weaker side. A strategic military balance is of the utmost importance to us. We want to hold political talks on such issues as promoting trust and international detente and easing world tension, and also on general disarmament. We are ready for such talks but, very regrettably, we are not getting the right response from the U.S. side.

Question: Could you sum up the CSSR's position regarding the question of a settlement in the volatile Middle East region?

Answer: On the question of the Middle East and the crisis there, Comrade Hafiz al-Asad, general secretary of the Arab Socialist Ba'th Party and president of the Syrian Arab Republic, gave us a thorough, in-depth explanation and analysis of the situation in the Middle East. Syria is playing a strategic role in the area and in the Arab homeland. I must say here that our views and the Syrian views on the region are identical. We fully support the Syrian position and we highly appreciate what you have achieved in all fields, especially in connection with the abrogation of the disgraceful 17 May agreement between Lebanon and Israel.

Apart from the Lebanese question, we consider the Palestinian question to be the central issue in the Arab world. We support unity of all the progressive forces of the Palestinian Arab people because, with international support, that would lead to the fulfillment of the Palestinian Arab people's main demands. In other words, it would lead to the fulfillment of their right to have an independent Palestinian national state. I want here again to underline the strategic role Syria plays in this struggle. I highly appreciate the courage and heroism of the Syrian Arab people as well as the efforts Syria is making to unite all the Arab progressive forces.

We in Czechoslovakia believe that the solutions pursued on proposed by President Hafiz al-Asad are the same solutions as we pursue. Let us here review some of these ideas:

1. Israel must withdraw from the occupied territories.

2. Israel must stop the aggressive actions and steps which it is taking with U.S. help both against Syria and against the other progressive factions in the Arab homeland.

We strongly support your position on this matter.

Question: What, in your opinion, are the results of CSSR-Syrian cooperation, and how do you view the prospects for such cooperation after this visit?

Answer: As far as CSSR-Syrian bilateral relations are concerned, I have already said that we regard Syria as a strategic friend. We have a long history of friendship. We have made great strides in the past 10 or perhaps 20 years in the political, economic, cultural, and educational fields and in the training of Syrian cadres. We will continue to acquaint the people of Czechoslovakia with the efforts the Syrian Arab people are making to develop their country. Economic cooperation between us plays a special part. What we have done and built in Syria is very well known. We are very happy that our Syrian friends are satisfied with the results of our work.

A few moments ago (on the morning of Tuesday 19 June) we signed a very important economic agreement. This agreement will facilitate implementation of important economic projects and will strengthen Syria's material and technical base. This is not a matter of "classical" and traditional trade exchange. We have agreed on modern ways of economic cooperation, especially in the field of light trucks and tractors. We will work out the details of these projects in the near future. We will make joint efforts for the manufacture of these vehicles and tractors in Syria itself. I have not signed an agreement with anyone as important as the agreement we signed today with Syria. This agreement is viewed, above all, from the angle of the strong political friendship between us. Strengthening Syria's defense capabilities is an integral part of our traditional cooperation and friendship. We made great strides in this connection in the past, but we have given this matter considerable attention in our talks with the comrade president and the comrade prime minister. We want to provide you with modern military technology. We realize that you are in direct conflict with the Israelis and their allies. Your enemy must see that the Syrian Armed Forces are at least as strong as he is. We will continue our talks on these matters.

So in assessing our relations and the talks I have held with the comrades president and prime minister, I say that we have listened and, most of all, exchanged expressions of friendship, common views and attitudes, cooperation, mutual respect, and determination to strengthen and consolidate this "unity" of ours and also strengthen Syria's economic and military power. I say again and repeat that we consider Syria our strategic friend and ally. We believe that Syria is playing an important, vital, and special part in confronting the general onslaught of world imperialism and Zionism. This is what we in Czechoslovakia believe as Syria's friends, and this is what even the "enemies" must understand and respect.

It must be said here that we are optimistic, because the forces of progress and socialism cannot be stopped. We will work defiantly, actively, effectively, and realistically, as President al-Asad said his profound analysis. If we do that, we will triumph. We are confident that we will triumph in the future. It is on the basis of these principles that our mutual cooperation grows. This is not only our opinion: it is our deep conviction.

THAI DEPUTY FOREIGN MINISTER ARRIVES 30 JUNE

LD011023 Prague Domestic Service in Czech 0530 GMT 1 Jul 84

[Text] Praphat Limpraphan, deputy foreign minister of the Kingdom of Thailand, arrived in Prague yesterday. In talks with Stanislav Svoboda, deputy minister of foreign affairs, he will evaluate the development of Czechoslovak-Thai relations and international questions.

EAST BLOC TECHNIQUES PREFERABLE TO WESTERN

AU281529 Prague RUDE PRAVO in Czech 26 Jun 84 p 5

[Marcela Vanorna article: "Foreign Experience"]

[Text] Not so long ago, one of the readers rebuked me for allegedly not propagating Western experience in RUDE PRAVO.

The international division of labor, and moreover in the period of scientific-technical revolution, is nowadays so developed that no one can afford to close himself to the stream of the latest findings of science and technology, no matter from which country they come. In articles we appreciate, in particular, the ability of our workers, technicians, and work collectives to implement these findings quickly in practice -- and we propagate that, above all, because there is a lot of good political work behind it.

We avoid, however -- and in this respect the reader is really right -- a soulless taking over of findings, including various organizational principles and systems, that are alien to the socialist production relations. After all, by doing that we would weaken the potentials and advantages intrinsic to socialism. The question is whether enterprises and ranking personnel, research groups, and so forth, could make the full use of these possibilities. New, creative thinking is being impeded precisely by those models of conduct, of behavior, and even by the manner of entrepreneurship that are normal in the West, and that still survive in social conscience also in our country. And we should be buying them -- moreover for hard currency?

Thus, for example, it will certainly be more advantageous and more practical for our conditions to take over the transcarpathian industrial system of growing corn for grain than the seemingly analogous systems originating in the West. After all, the transcarpathian system utilizes, in addition to science and technology, also the creative energy of collectives, and applies to the full extent brigade khozraschet [economic accountability]. We propagate it because it has come into being in a country in which there are identical or similar production relations, in which people have the same goals as we have. Moreover, they have several decades more experience with collectives. After all, the Soviet society and our society have always achieved the greatest successes when they succeeded in utilizing a category that capitalism does not have. This is, for example, precisely the collective, the initiative of the people based on enlightened comprehension of tasks, enlightened discipline, and so forth. Such elements must be further developed; after all, what is involved are not just the per-hectare grain yields, instantaneous profits, and effectiveness, but the entire further perfection of the socialist society which has given itself the task to solve problems that capitalism regards to be unsolvable. For example, to definitely eliminate war from people's lives; after all, war is the most drastic manifestation of competition. But it is precisely the managerial industrial systems that lead to that competition. No purely "technocratic" or agricultural problem exists that could be correctly comprehended without social and political contexts.

For example, there is much talk nowadays about the method of the transplantation of early embryos with cattle. In this field our scientists have made for themselves a good reputation throughout the world precisely because they utilized, in addition to their own work and diligence, all findings available in the world. But how is one to introduce ready-made findings and methods into production? Are we, perhaps, to adopt the practice of private firms or, transferred to our conditions, individual enterprises that would sell embryos like they do in the West? By doing this we would be impoverishing ourselves. After all, in our country there are no fragmented private farms, but enterprises based on socialist relations that can be uniformly managed, and thus capable of implementing truly magnificent projects not only such as the transplantation of embryos, but of controlled reproduction of entire populations [populaci] of animals, exchanging newly acquired gene pools [genofond] among the CEMA countries and so forth.

Thus not only science and technology alone in some sort of pure form, but at the same time also a gradual materialization of the findings of social sciences -- this is the path that leads to a greater productivity of labor in socialism.

USTINOV, KULIKOV CONFER WITH HUSAK IN PRAGUE

LD301234 Prague Domestic Service in Czech and Slovak 1200 GMT 30 Jun 84

[Text] Gustav Husak, general secretary of the CPCZ Central Committee and president of the Republic, received at Prague Castle today Marshal Dmitriy Ustinov, member of the Politburo of the CPSU Central Committee and minister of defense of the Soviet Union.

Marshal Ustinov arrived in the CSSR in connection with the regular state exercises of the Army and Navy of the Soviet Armed Forces. In the course of a cordial and friendly meeting, an exchange of views on current questions of security and peace in Europe took place as well as on the strengthening of cooperation and the defense capability of the armies of the countries of the socialist community.

Present were Army General Martin Dzur, CSSR minister of national defense, and Marshal Viktor Kulikov, first deputy minister of defense of the Soviet Union, commander in chief of the Joint Armed Forces of the Warsaw Pact member-states. Also present were Admiral Svet Turunov, aide to the USSR minister of defense, Frantisek Salda, chief of the chancellery of the president of the Republic; and Lieutenant General Jiri Necas, chief of the military office of the president of the Republic.

HOFFMANN-LED TU DELEGATION LEAVES FOR USSR

LD012114 Bratislava Domestic Service in Slovak 1930 GMT 1 Jul 84

[Text] A delegation of the Central Trade Union Council headed by Chairman Karel Hoffmann and a delegation representing the CSSR's construction industry headed by Karel Polak, Czech minister of construction, left for the Soviet Union today to take in control days on the construction site of the Druzhba Czechoslovak-Soviet trade union recreational hotel in the Crimea. They will also discuss with leading officials of the Soviet trade union movement further directions for cooperation between both trade union organizations and some topical issues facing the international trade union movement.

CONTROL, AUDITING GROUP RETURNS FROM USSR VISIT

LD301756 Bratislava Domestic Service in Slovak 1030 GMT 30 Jun 84

[Text] A delegation of the CPCZ Central Control and Auditing Commission, led by its chairman, Jaroslav Hajn, today ended its visit to the Soviet Union. The delegation held talks with Mikhail Solomentsev, member of the CPSU Central Committee Politburo and chairman of the CPSU Central Committee Control Committee, and Gennadiy Sizov, chairman of the CPSU Central Auditing Commission.

They exchanged work experiences on the realization of the conclusions of the 26th CPSU Congress and the 16th CPCZ Congress in perfecting the goals, forms, and methods of the work of party and auditing commissions, and on the organization of the control and the fulfillment of production tasks for party committees.

[Prague Domestic Service in Czech and Slovak at 1600 GMT on 30 June reports that the delegation, on its return to Prague, was welcomed by Milos Jakes, member of the Presidium and secretary of the CPCZ Central Committee. Viktor Lomakin, Soviet ambassador to the CSSR was also present].

PRC FOREIGN VICE MINISTER MEETS REHOREK, BUSA

LD301258 Prague Domestic Service in Czech 1030 GMT 30 Jun 84

[Text] Qian Qichen, vice minister of foreign affairs of the PRC, ended his working visit to the CSSR and left Prague by air today. During his stay he held talks in Prague with Jindrich Rehorek, first deputy minister of foreign affairs, and he visited Nitra, Piestany, and Bratislava, where he was received by Juraj Busa, the Slovak minister of education.

FOREIGN TRADE MINISTER RECEIVES ORDER OF LABOR

LD282311 Prague Domestic Service in Czech 1630 GMT 28 Jun 84

[Text] Gustav Husak, president of the Republic, awarded Bohumil Urban, minister of foreign trade, the order of Labor on his 50th birthday for his many years of deserving political and economic activity. The high state order was presented to him in the Hrzan Palace in Prague by Lubomir Strougal, member of the Presidium of the CPCZ Central Committee, premier of the federal government, who praised his efforts and selfless work in the building of socialism.

BRIEFS

NEW ENVOY TO AUSTRALIA -- Yesterday in Canberra, Ninian Stephen, governor general of Australia, received CSSR Ambassador Richard Kral in connection with the latter taking up his post. The two representatives expressed the interest of both sides in the further comprehensive development of mutual relations. [Text] [Bratislava PRAVDA in Slovak 5 Jun 84 p 7 AU]

NEW RADIO TRANSMITTERS -- The construction of a new radio transmitting center will start near Nitra next month. It will be equipped with two Tesla SRV-751 medium-wave transmitters with an output of twice 750 kilowatts, which will make it the strongest transmitter in Slovakia. The existing transmitter in Nitra, with an output of twice 50 kilowatts, will continue to be used for the Hvezda station [on long waves] and for Czechoslovak radio broadcasts in Hungarian. The installation of the new transmitter, which should be completed within 48 months, will improve the reception of the Bratislava national circuit throughout the West Slovakia, which is now in some areas impaired by "strong foreign transmitters operating near our frequencies." [Summary] [Bratislava SMENA in Slovak 5 Jun 84 p 5 AU]

WOMEN'S CONGRESS ELECTS OFFICIALS -- The Congress of the Czechoslovak Union of Women, held in Prague on 16-17 June, reelected Marie Kabrhelova as chairman of the union's Central Committee and Gusta Fucikova as honorary chairman. Elena Litvajova was elected first deputy chairman; Jarmilla Malecka, deputy chairman; and Eva Budilova and Gabriela Zilinska, secretaries of the Central Committee of the Czechoslovak Union of Women. The congress also elected a 15-member Presidium and a 5-member Secretariat of the Central Committee of the Czechoslovak Union of Women. Marie Chaberova was elected chairman of the Central Auditing Commission. [Summary] [Bratislava PRAVDA in Slovak 18 Jun 84 p 2 AU]

OLOF PALME VISITS, EMPHASIZES ARMS CONTROL

Arrival in Stralsund

LD291050 East Berlin ADN International Service in German 1027 GMT 29 Jun 84

[Text] Stralsund, 29 Jun (ADN) -- The prime minister of the Kingdom of Sweden, Olof Palme, arrived on a visit to the GDR on Friday. At Peenemuende airport in the Rostock Area (Bezirk), he was warmly welcomed by the general secretary of the SED Central Committee and chairman of the GDR State Council, Erich Honecker. Both statesmen then continued the journey to Stralsund.

Talks with Honecker

LD291253 East Berlin ADN International Service in German 1153 GMT 29 Jun 84

[Text] Stralsund, 29 Jun (ADN) -- The general secretary of the SED Central Committee and chairman of the GDR State Council, Erich Honecker, and Swedish Prime Minister Olof Palme met in Stralsund on Friday for a friendly talk. The meeting took place in the deputies' chamber of the town hall. Upon their arrival in the old market square of the 750-year-old town, Olof Palme and Erich Honecker had been received by many thousands of residents with warm applause and cheers. Mayor Horst Lehmann welcomed the guests on behalf of the 75,000 residents of Stralsund. He also told them something of the development of the city.

Detente Urgently Necessary

LD292119 East Berlin ADN International Service in German 1722 GMT 29 Jun 84

[Text] Stralsund, 29 Jun (ADN) -- Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State Council, and Olof Palme, prime minister of the Kingdom of Sweden, met for official talks in the town hall of Stralsund on Friday afternoon.

In the extensive exchange of views on the present international situation and its prospects the two sides expressed their deep concern about its dangerous deterioration. Erich Honecker and Olof Palme concurred in noting that it is urgently necessary as well as possible to achieve a change toward detente in international relations. Eliminating the danger of a nuclear inferno is the most urgent task today. The two statesmen emphatically called for steps to stop the arms race and for measures to reduce armaments and the armed forces on the basis of the principle of equality and equal security.

The two sides agreed that weapons, technology, and military-political developments have reached a point where deterrent doctrines, which allow for the first-use of nuclear arms, jeopardize the existence of the whole of mankind. Proceeding from the recognition that more arms do not yield more security, Erich Honecker and Olof Palme spoke out in favor of preserving the global and European military balance at a steadily lower level. A first step toward this could be a freeze of all nuclear armaments. Erich Honecker affirmed the GDR's support for the appeal by the heads of state and government of six countries from four continents, including from Olof Palme, which is borne by a responsibility for peace.

The two sides affirmed their positive attitude toward the creation of nuclear-free zones. Referring to Olof Palme's proposal to create a corridor in central Europe free of battlefield nuclear weapons, Erich Honecker underlined that the GDR continues to be prepared, while observing the principle of equality and equal security, to make its whole territory available for this.

Erich Honecker and Olof Palme agreed that the Stockholm Conference on Confidence and Security Building Measures and Disarmament in Europe can make a substantial contribution toward lessening military confrontation and to more predictability in relations between states. They emphasized the willingness of their two states to contribute toward serious negotiations and concrete results in Stockholm with the objective of improving the international situation. Erich Honecker stressed that the conclusion of a treaty between the Warsaw Pact and NATO on the renunication of the use of military force and on the preservation of peaceful relations could lay an important foundation stone for political confidence-building to renounce the threat and use of force at the same time a key to defuse the numerous international conflict areas.

The two sides noted with satisfaction that the good-neighborly relations between the GDR and Sweden have attained a high level and represent an element of predictability and stability in international relations. They discussed further steps toward deepening and expanding mutually beneficial cooperation in many areas, including trade and environmental protection. In this, the value of political dialogue was especially emphasized. It was agreed to continue this dialogue.

Olof Palme invited Erich Honecker to visit Sweden. The invitation was gratefully accepted.

The talks which took place in a trusting and open atmosphere were attended by: for the GDR: Oskar Fischer, minister of foreign affairs of the GDR; Frank-Joachim Herrmann, state secretary and head of the Chancellery of the chairman of the GDR State Council; Manfred Schmidt, ambassador extraordinary and plenipotentiary of the GDR to the Kingdom of Sweden; Christian Meyer, Main Department head at the GDR Ministry of Foreign Trade; Wolfgang Meyer, ambassador, head of the Press Main Department at the GDR Ministry of Foreign Affairs; Joachim Mitdank, ambassador, head of the Northern Europe-Great Britain Department at the GDR Ministry of Foreign Affairs; for Sweden: by Rune Nystrom, ambassador extraordinary and plenipotentiary of the Kingdom of Sweden to the GDR; Peter Osvald, assistant secretary, department head of the Ministry of Foreign Affairs of the Kingdom of Sweden; Magnus Nordbaeck, envoy, counsellor of the Embassy of the Kingdom of Sweden in the GDR; Stefan Noreen, senior executive officer, personal assistant of the prime minister of the Kingdom of Sweden; Jan Palmstierna, senior executive officer, department head at the Ministry of Foreign Affairs of the Kingdom of Sweden.

Press Conference

LD292204 East Berlin ADN International Service in German 2046 GMT 29 Jun 84

[Text] Stralsund, 29 Jun (ADN) -- At an international press conference in Stralsund this evening Swedish Prime Minister Olof Palme said that the official talks with Erich Honecker had gone very well. He described the exchange of views on the first day of his GDR visit which concerned the international situation, the common interest in peace and disarmament, and on the development of bilateral relations as very useful. The need to prevent nuclear war and the opportunities for safeguarding peace were thoroughly discussed.

The main subjects of the dialogue, Olof Palme stressed, were problems of disarmament, above all the creation of nuclear-free zones, the prevention of a "star war," and the deployment of new missiles, as well as the freeze of nuclear armaments. Apart from that, the two sides exchanged views on the situation in Central America, South Africa, and other crisis areas.

Olof Palme affirmed his country's proposal for the creation of a corridor in central Europe free of nuclear battlefield weapons. This was a realistic idea which benefited both East and West. Its realization would be an important confidence-building measure. Olof Palme emphasized the GDR's positive attitude to this Swedish peace initiative.

Palme dealt with the good bilateral relations between Sweden and the GDR. "There are no conflicts between our two countries, we conduct a lively exchange," he emphasized. He also said that the dividing line between the systems should not be allowed to become a front line of the cold war. The people in Europe were interested in a continuation of the policy of detente. There were many subjects that could be discussed and where one could try and find common solutions. He discussed the expansion of trade as well as deeper cultural and scientific cooperation with Erich Honecker. The two sides agreed that bilateral relations ought to be improved and expanded, Olof Palme stressed.

Concerning the development of trade between the two countries, he said that although no economic agreements had been concluded during the talks, the scope for expanding economic cooperation had been discussed. Both sides were very interested in this.

Asked about relations between the GDR and the FRG, Olof Palme said it was no secret that he had many friends in the FRG, especially Willy Brandt and other members of the SPD. With them he had been discussing problems for decades, especially when the so-called new Ostpolitik was developed. Therefore he had been interested to learn how Herr Honecker assessed the situation.

Referring to the Stockholm conference, Olof Palme said he assessed the conference positively. It had been clear right from the start that it would continue for a long time. What had been achieved was that important proposals had been put on the agenda. It was important for the dialogue to continue and to gradually lead to concrete results. The Swedish statesman advocated replacing the concept of nuclear deterrence with a concept of common security. Today everybody would lose a war since it would lead to the destruction of mankind. Therefore another concept had to be found. The great powers had one thing in common -- namely the will to survive. Hence security should be built more on the common interest in survival. This meant that security had to be found jointly with and not against the opponent. This was the whole concept of common security. Summarizing his impressions of the exchange of views with Erich Honecker, the Swedish prime minister said: "I consider it a very useful talk. It was an exchange of ideas about the international situation, about our common interest in peace and disarmament and the improvement of bilateral relations between our two countries."

Bishop Greets Politicians

LD301202 East Berlin ADN International Service in German 0959 GMT 30 Jun 84

[Excerpts] Stralsund, 30 Jun (ADN) -- Swedish Prime Minister Olof Palme, together with host Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State Council, this morning visited St Mary's Church in Stralsund, a medieval landmark of the city and an important late Gothic building in the Baltic region. In front of the portals of the church, the bishop of the Evangelical Land Church of Griefswald, Dr Horst Gienke, welcomed the guests. He kindly invited the two statesmen to sit in the nave of the church. In a welcoming address, he said that the Evangelical Christians of this city and of the whole country accorded respect to their high political mission for the good of humanity and nations. He assured them of the best Christians could give -- their prayers. Christians of the city regularly gathered at that altar, in order to pray for peace in the world. Speaking to both politicians, the bishop said: We would like to encourage you to continue your efforts to shape peace in a purposeful and patient way.

A short organ concert in honor of the guests concluded the visit to the Stralsund basilica. Olof Palme and Erich Honecker then went to the former Franciscan priory of St John's in the center of the city, which is today the city archive. After their visit to St John's, Olof Palme and Erich Honecker set off for Griefswald.

Visit Ends

LD301204 East Berlin ADN International Service in German 1139 GMT 30 Jun 84

[Text] Stralsund, 30 Jun (ADN) -- Swedish Prime Minister Olof Palme ended his 2-day visit to the GDR today. Erich Honecker bade him a cordial farewell at Peenemuende airport (Rostock Bezirke). Present was the entourage of the general secretary of the SED Central Committee and chairman of the GDR Council of State. The two statesmen wished each other success in their responsible work.

HONECKER's CONGRATULATIONS TO CANADIAN CP LEADER

AU281429 East Berlin NEUES DEUTSCHLAND in German 27 Jun 84 p 1

[Text] Berlin (ND) -- The SED Central Committee has sent the following greetings address signed by its general secretary, Erich Honecker, to William Kashtan, general secretary of the Communist Party of Canada, in Toronto:

Dear Comrade William Kashtan, on behalf of the SED Central Committee and on my own behalf I convey the most cordial congratulations and fraternal militant greetings on your 75th birthday.

Your life and your political work for the defense of the interests of the workers class and all working people of Canada is inseparably linked with the development of the Communist Party of Canada, the Marxist-Leninist militant party of the Canadian workers class. Since your earliest youth you have always been in the front row of the struggle for peace, democracy, and social progress.

In your work as general secretary of the Communist Party of Canada for over 20 years you have made lasting achievements and acquired a high national and international reputation.

Today, in view of the mad intensive armament and confrontation policy of the most reactionary circles of imperialism, above all, of the United States, when the threat to peace and security of the peoples is further increasing, the Communists of Canada are waging a determined struggle to preserve mankind from a nuclear catastrophe. Together with all social forces of Canada interested in preserving peace, the Canadian Communists resolutely oppose the inclusion of their country in the nuclear war plans of the Reagan administration.

In the GDR we praise you as a steadfast fighter who at all times is loyally committed to the ideals of Marxism-Leninism and proletarian internationalism. Your untiring work for strengthening the unity of action of the international communist movement and for deepening the friendship between the peoples of our states is highly respected.

We wish you further success, best health, and personal well-being in your responsible work for the vital interests of the working people of Canada.

USSR LEADERS REJECT REAGAN COOPERATION PROPOSAL

LD291833 Budapest Television Service in Hungarian 1800 GMT 28 Jun 84

[Text] [First unidentified voice] U.S. President Reagan, in his Washington speech yesterday, took a stand on the side of improving relations between Washington and Moscow and indicated that his government would be willing to extend to 10 years the two countries' agreement on economic, industrial, and technical cooperation. The agreement is about to expire.

At the same time Reagan again attacked the Soviet Union, making it clear that on important issues affecting arms limitation and international security, Washington expects Soviet concessions.

[Second unidentified voice] For this very reason the Soviets have rejected Reagan's proposal, for the Soviet leadership does not take seriously the things said by the U.S. President, all the less because these very scientific, technical, cultural, and other relations had been limited at the initiative of the current U.S. Administration. Although a speech by Marshal Ustinov, USSR minister of defense -- which he made at a military reception -- was made before Reagan's speech, it can be seen from it that the Soviet military leader judges the situation clearly. This is what Ustinov said: The Soviet Union and the other countries of the socialist community have to carry out their work of peaceful construction amid the conditions of an increasing threat of war and of an ideological struggle that is becoming ever more acute.

Meanwhile, Mikhail Gorbachev, who is a member of the Politburo and is a Central Committee secretary, said in a speech yesterday: The socialist countries by no means believe that the cause of detente has suffered a final defeat. The Soviet Union endeavors that there might be a positive breakthrough in international life, and that honest, substantive, and serious discussions should begin on the basis of the principle of equality and equal security.

A characteristic of the tense atmosphere that has evolved, however, is the fact that a delegation of the Soviet journalists association, which is visiting the United States, today called off a meeting that had been planned with U.S. Secretary of State Shultz. As they said, they are doing this by way of protest because the U.S. secretary of state had made crudely slanderous, anti-Soviet statements at a public forum. The U.S. secretary of state's spokesman expressed his regret for the fact that, as he said, the opportunity for an open dialogue had been missed.

UK MINISTER CALLS FOR BETTER SOVIET RELATIONS

LD281838 Budapest Television Service in Hungarian 1800 GMT 28 Jun 84

[Text] In the present, tense Soviet-U.S. atmosphere, the speech by Michael Heseltine, Britain's defense secretary -- made behind closed doors but leaked to the public, obviously not by accident -- came as a surprise. He came out in favor of making relations with the Soviet Union closer and for respect for the Soviet Union's just demands. Naturally, he continued to point out that the guaranteeing of appropriate military force still enjoys priority, but, as he said, with the fulfillment of this it is desirable that the West should strive for honest and balanced agreement with Moscow. Such statements, I think, are now much closer to realpolitik [real politika], and if the U.S. leadership could also adopt this kind of thinking then the possibility for discussions would also come closer.

CUBAN MOVE PROVES WISH FOR IMPROVED U.S. TIES

LD292328 Budapest Television Service in Hungarian 1800 GMT 29 Jun 84

[Text] [Announcer] As the last move in his Central American tour U.S. politician Jesse Jackson, on his way home from Managua, again stopped over in the Cuban capital and met head of state Fidel Castro. A few hours later Jackson continued on his way to Washington together with 48 U.S. and Cuban citizens who had received amnesties. Arriving in the U.S. capital, Jackson said that he had brought a message from Fidel Castro to President Reagan. However, it seems that he will not be able to hand this over because for the time being neither President Reagan nor Secretary of State Shultz is willing to receive the colored politician.

[Unidentified voice] There would hardly be any sense in taking a vote on the point that the visit to Cuba by Jackson, who is competing for the Democratic presidential nomination, and his spectacular success -- in the wake of his discussions, Cuba has set free condemned Americans -- are closely connected with the black politician's election campaign. But neither can anybody doubt the fact that, with all this, Jackson hardly has a chance. Fidel Castro knows this, as does, naturally, official Washington. Still, the U.S. Government does not like what happened. The facial expression of Shultz is that of sheer grudging. Indignantly he reproaches Jackson for having talked with Castro without authorization, while he accuses Castro of not wanting to settle relations with the United States. And yet the release of the Americans who have not yet served their sentences, is , on the contrary, proof of what the Cuban Government has been saying for some time: that it wants dialogue with Washington; diplomatic, economic, and cultural relations; good-neighborly relations; and last but not least, that the United States should cease its counterrevolutionary subversion in Central America. Washington, above all, does not want the last of these. It is therefore in its interest -- at least it would like -- to prove that it is not the United States but Cuba which is obstructing a settlement in the Caribbean region because, as Shultz said, it is not possible to reach understanding with Fidel Castro's government. Cuba's striving, intention, and as this present gesture also shows, its practical actions, too, prove the very opposite.

Seen as Propaganda

LD292327 Budapest Domestic Service in Hungarian 2000 GMT 29 Jun 84

[Text] The U.S. secretary of state sees a propaganda move in the fact that, in support of its good intentions, Cuba has released 22 U.S. and 26 Cuban counterrevolutionaries. Shultz endeavored to play down the significance of the Havana initiative and again alleged that the island carries on subversive activity in Latin America. Cuba made its gesture following the talks in Havana of Jesse Jackson, a leader of the Democratic Party. Fidel Castro sent a message via Jackson to President Reagan, but indications are that the White House is unwilling to receive the politician. What is more, they are stressing instead that Jackson had no authority for the Cuban and Nicaraguan talks.

Rejected by U.S.

LD301145 Budapest Domestic Service in Hungarian 0300 GMT 30 Jun 84

[Text] Washington: According to the U.S. Administration, Cuba must change its conduct in order for it to be possible to settle the two countries' relations.

Statements were given after the release from prison in Havana of 48 U.S. and Cuban counterrevolutionaries, in the wake of the talks of Jesse Jackson, Democratic party politician. However, the act is rejected in Washington, and it is stated that the island country conducts subversive activity in Central America.

CHEN MUHUA ON BROADENING TRADE WITH EAST EUROPE

LD302029 Budapest Domestic Service in Hungarian 1400 GMT 30 Jun 84

[From the "168 Hours" program; Chen Muhua remarks in Chinese with superimposed translation throughout]

[Text] During the week a Chinese economic delegation, headed by Chen Muhua, state councillor, minister of foreign trade and economic relations, held consultations in Budapest. Miklos Lengyel has interviewed Chen Muhua.

[Lengyel] The highest-ranking woman in the Chinese Government is Chen Muhua. She is currently the minister of foreign trade and economic relations;previously she handled the affairs of women and the protection of families as the minister of the state family commission. She is currently making a tour of some East European countries. First, I asked the minister about her talks in Budapest, about the areas in which a European socialist country of 10 million and an Asian socialist country of more than 1 billion can cooperate.

[Begin recording] [Chen Muhua] During the current talks we searched for possibilities of growth in cooperation in the field of trade and technological research. We signed an agreement which envisages the development of Hungarian-Chinese economic and technical-scientific cooperation. In addition, we agreed with Jozsef Marjai, deputy premier; and Peter Veress, minister of foreign trade, to establish a joint technical-scientific cooperation committee. All these indicate that a new chapter has begun in economic and commercial relations between China and Hungary.

We reviewed with our negotiating partners not only the present situation but also examined ways to expand our contacts between 1985-1990. On our side, we assess our relations favorably and are optimistic about the future as well. The development of this relationship suits both the interest of the Chinese as well as the Hungarian peoples.

[Lengyel] However, currently the trade turnover between Hungary and China is rather modest. In your opinion what goods have a chance to compete successfully with such competitors as Japan on the huge Chinese market of 1 billion people?

[Chen Muhua] There are goods in Hungarian-Chinese trade which are almost traditional and which are regularly sold to each other. We, for example, import fertilizers and various steel products from Hungary. In addition, I would mention Hungarian televison sets which are popular in our country. We export from China mainly foodstuffs, canned food and textile industry goods. I trust that in the future this range will very much expand, for after all both countries are developing and thus will be able to offer an increasing variety of goods to each other. For example, we expect Hungarian partners to participate in the necessary reconstruction of Chinese industry, and it is also possible that we shall make part of our technology purchases in Hungary. Perhaps it can also be imagined that Hungary, too, will increase its imports of industrial goods and parts from China; thus our cooperation will have a great future.

[Lengyel] You mentioned just now the necessary economic changes. Last summer I met here in Budapest a high-level Chinese economic delegation which studied the economic mechanism of Hungary for several weeks. In your opinion, what are the areas in which Hungarian ideas can be beneficially implemented in China?

[Chen] Both China and Hungary are socialist countries. In both countries there is planned economic management. Both China and Hungary develop according to their characteristics. In China, taking account of these characteristics, we are introducing a new system of economic direction. The essence of this is that in the handling of problems we are displaying greater flexibility. We expect of this new economic management system that the favorable features of socialism should become stronger. In Hungary the new economic mechanism has long been introduced, and we, the Chinese, are studying these experiences and we are glad to learn from you. Naturally, we have to consider that China is a country with a huge population and is very little developed. Therefore, in the new system of economic management we are trying to speed up development.

[Lengyel] In what proportion can the socialist countries participate in Chinese foreign trade? It seems from the modernization carried out so far that the role of developed capitalist countries is decisive in Chinese imports. What role can the East European socialist countries play in the long-term economic modernization plans of China?

[Chen] There are no finite fixed ratios in our foreign trade; the weight and significance of individual countries change. We would like to broaden our trade relations with the East European socialist countries naturally, with Hungary included. Recently, trade between China and these countries has been growing at a rapid rate. Therefore, there is no obstacle to the change of ratios and to the East European socialist countries' having a larger role than hitherto in Chinese foreign trade. [end recording]

Signs Agreement, Protocol

LD291859 Budapest MTI in English 1744 GMT 29 Jun 84

[Text] Budapest, June 29 (MTI) -- A Chinese economic delegation, headed by State Counsellor Chen Muhua, minister of foreign economic relations and trade of the People's Republic of China, paid a visit to Hungary June 24-29.

Miss Chen Muhua, who had been invited to Hungary by the government, held talks with Deputy Prime Minister Jozsef Marjai and Foreign Trade Minister Peter Veress. The parties briefed one another on the economic development of their countries, and experience and further ideas in economic construction work and the streamlining of the economic management system.

The parties surveyed achievements in bilateral economic, commercial, technical and scientific cooperation, topical issues and the main direction, forms and methods of expanding relations, the parties regarded the development in recent years of economic and commercial relations as favourable, and agreed that their development and extension by new forms are possible, necessary and advantageous for both countries. They stated that Hungarian companies have wide-ranging opportunities to participate in the reconstruction of industrial plants and in agricultural development programmes in China.

Chen Muhua and Peter Veress signed an agreement on bilateral economic and technical cooperation, and a protocol on the establishment of a bilateral economic, trade, technical, and scientific cooperation committee.

The Chinese minister held talks with Minister of Industry Laszlo Kapolyi, leading personalities of the Hungarian economy and senior members of the National Assembly. On Friday Chen Muhua was received by Gyorgy Lazar, chairman of the Council of Ministers, and Ferenc Havasi, member of the HSWP Political Committee and secretary of the Central Committee.

SZUROS MEETS WITH CPSU OFFICIALS IN MOSCOW

LD301119 Budapest MTI in English 1035 GMT 30 Jun 84

[Text] Budapest, June 29 (MTI) -- Matyas Szuros, secretary of the HSWP Central Committee, paid a visit to the Soviet Union June 28-29 on the invitation of the CPSU Central Committee. His party included Joszef Gyorke and Laszlo Kovacs, deputy heads of the Foreign Affairs Department at the CC.

Matyas Szuros held talks with Boris Ponomarev, alternate member of the CPSU Central Committee Politburo and secretary of the CC, and Konstantin Rusakov, secretary of the CC. In cordial, comradely talks held in the spirit of the two parties' unity the politicians exchanged views on the topical issues of international life and the communist and workers movement, and the deepening of cooperation between the HSWP and the CPSU. Present at the talks was Sandor Rajnai, ambassador of Hungary to the Soviet Union

Matyas Szuros returned to Hungary Friday.

TRADE, FINANCE MINISTERS ADDRESS ASSEMBLY

Deterioration of Trade Terms

AU271330 Budapest MAGYAR HIRLAP in Hungarian 21 Jun 84 pp 4-5

[Speech by Peter Veress, minister of foreign trade, at the 20 June session of the Hungarian National Assembly]

[Text] Esteemed National Assembly, the Foreign Trade Law, which incorporates the fundamental principles and regulations of our socialist foreign trade in a clear-cut and flexible system, will be 10 years old in October this year. Since it went into effect, we have informed the competent National Assembly committee about foreign trade matters on 28 occassions.

In 10 years the position of the world economy, including our domestic economy, has undergone some fundamental changes. As a result of explosive price changes that are unprecedented -- and let us add, unexpected -- in peacetime, taking place in parallel with a disintegration of the international financial system, all energy-importing countries have suffered serious terms of trade losses. According to a Western source, for instance, the terms of trade of advanced capitalist countries have deteriorated by 18 percent from 1973 to 1983. By increasing the prices of the latest finished products, the most advanced ones among them managed to reduce the loss. The deterioriation in terms of trade for our country's foreign trade turnover can be traced back basically to four factors: a lasting increase of the prices of energy sources and other raw materials, which represent a considerable portion of our imports; a fluctuating but -- because of extremely strong competition -- on the whole low price level of agricultural and foodstuffs industry products, which account for a significant portion of our exports the fact that export prices for our finished products have fallen behind import prices, which is related primarily to a slow adaptation of our products to requirements; and, last, certain weaknesses of foreign trade work, among other things.

It Is Not Enough to Economize

The deterioration of our terms of trade, the protracted crisis of the capitalist world economy, the faltering of the liquidity of countries, financial institutions, and enterprises, and the aggravation of the international political situation have considerably taxed our endurance and productive capacity. The new problems befalling us have made the weaknesses and vulnerability of our economy even more obvious.

For years, the preservation of our international solvency has required that, in contrast to preceding years, our trade balance sheet accountable in convertible currency should close with a considerable surplus in receipts. At the cost of great efforts, our economy has fulfilled this requirement for the third year running. While the deficit of our trade balance sheet accountable in currencies other than the ruble amounted to $1.2 billion, we had a surplus of $445 million in 1982 and $545 million in 1983 -- calculated on the basis of frontier parity. This in itself is a significant and encouraging result, but the way it has been accomplished is contradictory: a justified and forced economization -- while wastage continues in many places; a more taut import management and the containment of domestic purchasing power through the withdrawal of resources required for development; an increasingly vigorous economic organizational activity to ensure as great an export commodity stock as possible; and the retention of markets through a more purposeful economic diplomacy and more vigorous enterprise exporting activity. And, in the course of this, we are also fulfilling our delivery obligations vis-a-vis the socialist countries although with greater difficulties than previously. It is obvious that it is not obligatory economization and a containment of growth and imports that propels forward in the long term, but qualitatively more successful work, the attainment of better returns for performance at home and abroad, and sensible economization.

The law has fulfilled its purpose even amid the unfavorable world economic developments and has contributed considerably to the accomplishment of the foreign trade tasks of the people's economy. Its flexible framework has made possible the continuous development of macromanagement and the organization of foreign trade within relatively few legal decrees.

Even the first sentences of the Foreign Trade Law emphasize that trade with the socialist countries and particularly with CEMA countries and socialist economic integration are of outstanding significance for the Hungarian People's Republic.

CEMA RESERVES

The agreements we have concluded with the Soviet Union are of fundamental significance in all areas of our economy. Our commodity turnover agreements concluded with the rest of the CEMA countries are also significant from the viewpoint of our development, although the growth rate of our mutual commodity turnover has decreased in comparison with the first 5 years of the period. Taking a longer period as a basis, the level of commodity turnover was even. Our socialist partners increasingly want modern and good quality industrial commodities and consumer goods from us . It lies in our real political and economic interests for our country to participate as effectively as possible in the further development of socialist integration and the enrichment of the forms and content of cooperation.

We are interested in the exact fulfillment of mutual responsibilities. At the CEMA summit conference it was also formulated that: "The CEMA member-states possess all the necessary means to elevate their mutual cooperation to a new level."

And then: "There are still considerable resources at our disposal for expanding mutual cooperation, deepening production specialization and cooperation, and increasing mutual trade and more efficiently exploiting the fraternal countries' production and technical-scientific potential for the benefit of increasing our people's welfare." We have actively contributed to the preparation of the summit conference, which is of outstanding importance also for the Hungarian people's economy, and we will be active participants in carrying out the tasks outlined by this conference in foreign trade.

Against Discrimination

It is one of the Hungarian trade policy's tasks to ensure also in nonsocialist countries those basic conditions without which it is impossible to benefit from the advantages of the international division of labor. These are: unconditionally most favored nation status and lack of discrimination. Hungary obtained these rights fully when in September 1973 it joined the GATT. This agreement stipulates the trade policy behavior of countries that constitute more than 90 percent of the world's trade. Practice shows, however, that tendencies that are in contradiction with GATT have gained ground in international trade. Each of these has a negative influence on Hungary's situation. Protectionism is to be mentioned in first place. This means a market-defending policy that excludes foreign competition, particularly in certain sectors like agriculture, textiles, steel, and so on, and does not allow for assertion of advantages of international division of labor. We are particularly sorely affected by the agricultural protectionism of the EEC, our main Western market. Problems are also caused by measures taken for political reasons by the NATO countries, measures that mainly hinder the purchase of high technology and thus the increase of our export capacity, and also that tension-creating policy which occasionally turns the trade relations into a means of political blackmail. Also the fact that our main capitalist partners have signed free trade agreements among themselves means further difficulties for us and this in practice causes customs duty disadvantages for our industrial products. Our stand against these harmful tendencies is made easier by the fact that there are other countries in a similar situation. We are able to take efficient measures with our well-intentioned partners about our specific problems, and we can successfully exploit our bilateral mixed committees for developing our trade. We have signed trade agreements with several countries, with Japan and the United States, among others. We have also made several trade policy proposals to some partner-countries for signing free-trade or similar agreements in order to eliminate the above mentioned customs disadvantages. We have even signed such an agreement with Finland.

In the Spirit of GATT

In the last decade we have signed industrial, economic, and technical cooperation agreements with the West European countries of the EEC. In the framework of these agreements, the mixed committees made up of the represenatives of the two sides consistently review, evaluate, and promote the development of bilateral state and enterprise relations. As a result of the development of our contractual agreements, the circle of those countries that that apply discriminatory quantitative restrictions on the products of the socialist countries, thus on Hungarian products, too, has narrowed and is limited only to the EEC countries from among our important partners, although these should have been eliminated in the framework of the GATT agreements. They have also pledged to do so in the protocol on Hungary's jointing the GATT, a protocol which is part of the agreement.

Both with the member-countries and the EEC as a whole, we consistently represent the position that the further adjustment of our relations can take place only on the basis of the assertion of the unconditionally most favored treatment and lack of discrimination already stipulated in the GATT agreements and which are obligatory also for the EEC, and all this makes sense only if it realistically improves the conditions for us to join a market where, mostly because of artifical obstacles for several decades, we have been able to sell less than we have been purchasing.

As is known, there are considerable differences between the developing countries in respect of their economic development, social order, commercial tradition, or for that matter, the commercial methods they apply. Therefore, our interstate commercial relations with these countries are necessarily strongly differentiated. The economic situation and liquidity of the developing countries have changed suddenly and unfavorably in the past years and the risk factors in the trade with them have increased. The anticipation and indication of changes and formulation of necessary actions play an increasingly important role in the commercial policy work dealing with the developing countries. I must add that these circumstances do not modify our views concerning the progressive, developing countries and the support of their justified political and economic demands. We continue to pay great attention to these countries in working out our foreign trade strategy.

Solid Capital-Possessing "Trading Establishments" Are Needed

It has become clear today that production is the fundamental determinant of foreign trade results. In places where we have sales problems, they are mainly caused by the poor competitiveness of our products. For this situation to change and our products to be more marketable, we must shape the economic environment in such a way that we do not understand each producer as the manufacturer of just the final product, and that the efficient, entrepreneurial management and adjustment to the requirements of foreign markets are the fundamental interests of foreign trade enterprises. The problem is often caused by the fact that the product is not manufactured in time or in the required quality according to the stipulations of the contract. To eliminate such mistakes generally there is no need for surplus investments but just more attention and care.

Alongside the producers, foreign trade has considerable tasks in improving competitiveness, in reporting market demands, and creating better workmanship.

The Foreign Trade Law sets the fundamental principles of contractual relations between the specialized foreign trade enterprises and the domestic partners, principles that received such a great attention in the course of preparation of the draft and also at the debate of the National Assembly 10 years ago. The most important changes in the content of the relations took place decisively in the last 3-4 years in the spirit proposed by several deputies at the Assembly debate at that time.

The income of the foreign trade enterprises today already depends considerably on the selling price. The proportion of price income based on common interests in the total income of the foreign trade enterprises is today already 70-80 percent, while the profit connected with the income in the nature of fees makes up only 20-30 percent. There has been an increase in the proportion of contracts of association based on mutual interests in the relations between the foreign trade and producing enterprises and the consumer enterprises.

At the moment there are 114 such associations in operation with the participation of 184 domestic producer and consumer enterprises.

As a result, the enterprises' community of interest has strengthened, market activity has become more active and flexible, and the level of the market price-setting work [armunka] has improved. As a result of the development, cooperation is already characteristic today in the relations among foreign trade enterprises. It would be desirable to eliminate the still existing formal elements.

The private account relations, the foreign trade enterprises' capacity for independent, entrepreneurial risk taking has not developed properly owing to the lack of necessary financial means, although our economic life clearly requires the existence of foreign trade enterprises with solid capital which take part in the production processes with the transfer of means, or are able, in case of need, to lead a private account, real commercial activity, to develop their market organization, and to sign various special deals. The foreign trade enterprises supplying the functions of solid-capital possessing trading houses would be able to encourage the production aimed for exports and would be able to increase the choice of goods through their imports.

As has been also discussed at the assembly's commerical committee debate, the main question today is no longer the quantity of information arriving from the markets, but to what extent the producing and consuming organizations possess the conditions for receiving, organizing, processing, and utilizing the information, and for establishing what further information is needed.

It Is Not an Enterprise Monopoly

The law provides a flexible and up-to-date definition of the state's foreign trade monopoly. Paragraph No 3 lays down that the state -- not individual enterprises, that is -- is entitled to a monopoly. Tasks of state macromanagement arising from the monopoly are fulfilled by the state organ designated by the Council of Ministers -- the Ministry of Foreign Trade.

According to the Law, the foreign trade monopoly means that the state:

-- develops, through the conclusion of international agreements and other means, international prerequisites for foreign trade;

-- creates the organizational system of foreign trade; and

-- directs and supervises foreign trade activity.

Thus -- in conformity with the law -- the foreign trade monopoly cannot be regarded as a monopoly of enterprises. Accordingly, we have developed an enterprise trade system, which, in comparison with the previous situation, has led not only to considerable quantitative, but also to qualitative changes. This organization is no longer what it was 10 years ago. For its development, the ministry has worked out a homogeneous concept, within the framework of which it has publicly announced conditions and requirements for obtaining independent foreign trade rights; all organizations that fulfill them can obtain the right to pursue foreign trade activity. On this basis, we have 217 foreign trade enterprises today, more than 80 percent of which are producer or consumer enterprises in possession of foreign trade rights.

They include numerous joint enterprises formed by foreign traders and producers and foreign trade enterprises founded by producers, for that matter. This is the extensive enterprise sphere we mean by the enterprise organization of foreign trade. It is this organization consisting of multifold enterprises operating in various forms and under different conditions we refer to when we speak of the development, results, and errors of the organization.

Irrespective of their form of ownership and organizational, or supervisory position, the ministry directs in a uniform manner the foreign trade activity of all economic organizations entitled to pursue foreign trade activity. The growth of the organization -- and, let us add, the development of the world economy -- call for a development and strengthening of direction consistent with the organization's growth.

To be sure, the state direction of foreign trade has grown stronger in recent years throughout the world. We must make allowances for this in our own work as well. Concerning directing activity, the Ministry of Foreign Trade cooperates with the rest of the directing organs, fellow ministries, and the Hungarian Chamber of Commerce. Their joint activity is characterized today by a joint preparation of decisions, creative debates, and cooperation.

On the basis of the announced requirements, we intend to continue to fulfill enterprise aspirations to foreign trade rights and to enhance the area of producers who pursue foreign trade on their own. However, this must not be a self-centered slogan. As was stressed by the representative of the Hungarian Chamber of Commerce as a session of the foreign trade committee, foreign trade rights must be exercised where it is most economical and effective: in the domain of producers, or in that of enterprises pursuing foreign trade as their main activity -- according to which choice is justified by economic considerations. Enterprise decisions must be guided by these things, and not matters of prestige. There are markets where, or commodities with which -- owing to the characteristics of the market, or the nature and strength of foreign monopoly organizations present in the markets of certain commodities -- their presence is economically disadvantageous, or downright impossible.

Other significant changes also have taken place in our foreign trade organization. The dimension of enterprises and their legal forms have become more differentiated and enterprises pursuing foreign trade activity with headquarters outside of Budapest are of increasing consequence. Taking into consideration the requirements of the economy, we have created new enterprises of smaller volume. However, more economic organs founded by enterprises -- thus, subsidiaries and the joint enterprises of producer and foreign trade enteprises -- are fulfilling foreign trade functions today. To facilitate exploring for local exportable commodity stocks and trade along the borders, foreign trade enterprises have opened numerous bureaus in the provinces.

Irrespective of Organizational Form

Contrary to the previous situation, when only one foreign trade enterprise dealt with the marketing of a commodity, parallel foreign trade rights have become more frequent. Thus, the situation has developed where several foreign trade enterprises competing with each other deal with the marketing of single commodities. For instance, it is possible today to choose simultaneously from among 13 foreign trade enterprises with regard to machine industry exports accountable in convertible currency. Still, there is considerable competition in the area of light industrial and agricultural foreign trade, the sale of licenses, and international transportation as well.

Practical experiences of the appearance of several Hungarian enterprises with identical commodities on the same market are mixed. Its positive effect is that it spurs foreign trade enterprises to more active and higher-standard work. Along with its favorable effects, however, the competition has not yet led to the expected extent to an exposure of new products, more favorable sales opportunities, and better markets, but generally to an apportionment of the previously also sold commodity stocks, markets, and profits.

The main reason for this is the fact that we introduced this system at a time when Hungarian exportable commodities have not increased.

Also in the future, parallel market presence must be developed in line with the development of exportable commodities in areas where this brings advantages. It must be seen to that the enterprises themselves organize their cooperation in this respect and should directly feel and bear the harmful consequences of violating the rules of cooperation. There are markets, commodities, and activities, however, with regard to which -- owing to the regulation prevailing in the markets, or peculiar features of the turnover of commodities -- no advantages can be expected.

Great and difficult tasks have been accomplished by specialized enterprises and producer enterprises that have obtained foreign trade rights. One cannot rate those of either category with a general, common adjective. There are good, average, and poor enterprises in both categories. According to our experience, rating is decided fundamentally by two factors: the production background to sales and the standard of the activity in directing an enterprise. Specialized foreign trade enterprises have changed a great deal in the last few years. Most of them have realized that the trust of domestic partners and the foreign market must be earned and retained. There is less complacent bureaucracy and foreign trader arrogance and more vocational expertise. The outstanding result of the activity of a few foreign trade enterprises in conjunction with their domestic partners was decisive in preserving the country's solvency in the last 2 years. Yet we cannot say that we have enough enterprises and experts meeting international criteria and our own requirements. The standard of the work of producer enterprises endowed with foreign trade rights also is variegated; one finds any grade from the outstanding to the poor among them. According to our experience over many years, a close linkage between production and foreign trade activity is unequivocally advantageous and justified, but organizational form alone does not decide the quality of work.

External market conditions do not promise considerably favorable new conditions for us. The recovery, interspersed with backslidings, that can be observed in the Western economies in some places does not indicate a general boom. Should it take place, nevertheless -- because everyone is expecting it -- we would be confronted with an even sharper market competition. External conditions are becoming more and more complex not only for the Hungarian economy, but all other economies as well, they are more difficult in a different way than previously. The external difficulty is a real factor in our present problems, but mere frequent references to it alone are neither a dispensation, nor do they show us the way with regard to what we should do. The only feasible way out is for us to adapt our way of thinking and work to the situation. We must clearly realize that the performance that sufficed yesterday is not enough today.

A Greater Performance Is Needed!

We can formulate our tasks as follows:

1. By vigorous planning, economic organizational, and export-marketing activity, we must ensure the necessary foreign economic equilibrium in 1984; through this, we can lay the foundations for the 1985 plan and the Seventh 5-Year Plan.

2. Already in 1984, but definitely by 1985, we must enforce regulation that spurs our economy to the performance specified in the previous point in all areas of production and utilization.

3. This calls for purposeful and concerted action.

4. A trade-political and the trade-organizational program corresponding to the new situation must be worked out with regard to all major markets.

5. The foreign trade organization must be further developed in such a way as to ensure it best serves the above objectives.

It Fulfills Its Role

In our activity of guiding trade policy and foreign trade, we must continue to follow the trends indicated in our report in order to assure the most favorable conditions possible for the implementation of our foreign trade tasks.

A law fulfills its goal if it endures over time and gives long-term direction in regulating a given area. The Foreign Trade Law has fulfilled its role in the past 10 years. It is also suitable to the requirements placed in the meantime on foreign trade by the Central Committee's decisions of October 1977, and the 12th MSZMP Congress.

The experiences of 10 years qualifies us to consider the Foreign Trade Law as suitable also for solving those tasks that were formulated in the position of the Central Committee of 17 April this year. The law enables an adequate and continuous further development of foreign trade management and organization.

The task of foreign trade guidance in the future continues to be to contribute as efficiently as possible to the implementation of the foreign trade tasks of the people's economy in the framework of the Foreign Trade Law. All the employees of foreign trade will do their best to fulfill these expectations.

I express my thanks to the Assembly's trade committee for its helpful suggestions and criticism with which it supported our work and the preparation of this report.

I ask the esteemed National Assembly to debate and approve the report.

1983 Economic Gains Modest

AU251430 MAGYAR HIRLAP in Hungarian 21 Jun 84 pp 1-3

[Report on speech by Istvan Hetenyi, finance minister, reviewing Hungary's 1983 budget in the Federal Assembly on June 20]

[Text] Although last year already is quite behind us, and what is more, the time for harvesting this year's grain is slowly approaching, we are nevertheless justified on this occasion in looking back at our activity last year -- the finance minister said in his introduction. We are justified especially because last year's goals are essentially also this year's goals, and economic policy efforts and conclusions are therefore useful for our current activity, too. The aims of budgetary policy were determined by the common national economic goals formulated in the economic policy: strengthening the conditions of balance and safeguarding and possibly improving the living conditions. The final account bill shows that our activity last year was successful. There are, however, quite a few conclusions to be drawn and improvements to be made. We have already talked about these tasks in the course of the debate in parliament over the budget for 1984.

Economic development last year, looking at it statistically, was not spectacular. But in the current international political and economic atmosphere, when dozens of countries are to be found where unemployment is high, large masses of people are living in uncertainty about their existence and they had to ask for their debts to be rescheduled, our policy has deservedly received international recognition and domestic support at home from the widest range of people. Although there were signs of economic recovery in some countries last year, this did not produce any significant change in our foreign economic relations. The expansion of world trade is hindered by the difficult world political situation and the piling up of difficulties in international payments. The international money market situation has also remained unfavorable and there has been no reduction in protectionism and discrimination. These conditions and the weaknesses of our own activity have both contributed to the fact that, although we have achieved our two fundamental goals, in the economic process that supports these we have not been able to achieve the planned performance in all areas. For instance, exports lagged behind targets. National income, which was affected by last year's serious drought, barely increased. The country could not have weathered such a drought and natural disaster even in the seventies without a global recession in production. In spite of this, national income increased last year. It was necessary, however, to ensure, also through measures that had not been planned in advance, a reduction in our Western debt and the maintenance of the internal balance.

Nevertheless, the deterioration of our terms of trade and the fulfillment of our commitments have not and will not prevent a decrease in the domestic utilization of national income. The growth of the population's overall consumption was modest and even exceeded the planned level. Per capita real income increased 1 percent and the nominal income increased 8 percent. The consumer price level increased less than planned. Last year's surplus consumption as compared to the plan is not and cannot be felt by the families and individuals but it has presented certain problems for the people's economy. We had to intervene more forcefully in the investment processess in order to avoid a very large overfulfillment.

The total budget income in 1983 was 543.7 billion forints, expenditures were 549.8 billion forints, the deficit thus being 6.1 billion forints. This is 4.1 billion forint less than planned. A role in the improvement of the budget balance was played by the surplus incomes, the surplus income resulting from insurance after higher wages, and the supplementary withdrawal intended to block if only partially, the exaggerated increase in enterprise investments. The income resulting from the taxes paid by small enterprises and the real estate dealings increased more than planned.

We succeeded in reducing the budget deficit so that we did not have to limit the expenditure affecting the conditions of living in the course of the budget. The institutional expenditure of the councils in the areas of health, social policy and education, in spite of the modest possibilities, increased 7.2 percent last year, a figure that exceeds both the increase of national income and the planned level. Adjusting to the social programs, general school education, the health service and housing construction played an outstanding role everywhere.

The state budget paid a total of 280 billion forints for the institutional and social security tasks, that is, almost half of the entire expenditure. The financial social allocations to the population increased 10 percent. The expenditure on pensions was 75 billion forints and reached 10 percent of the national income. Since September, the size of pensions that were calculated some time ago and which were rather low, has been increased. The family allowance system was extended to one-child families for children up to the age of 6. The health services and the district doctor and emergency services were developed.

Thanks also to the public contribution, close to 2,000 new nursery places were created, and the building of kindergartens made it possible that, compared to 84 percent in 1982, last year 87 percent of the kindergarten age children could attend kindergartens.

One of our outstanding social tasks is the development of public education -- which was discussed at the last session of the National Assembly plenum. In addition to the pressing necessity for the modernization of the content of education, the responsibilities caused by demographical processes also justify a forceful development of this area. Last year we allocated 14 billion forints from the state budget to the general schools. The number of classes increased almost 1,300 -- 770 of them in new schools. Thus we succeeded in making sure that in spite of the increasing number of children, the educational conditions did not deteriorate, though we did not succeed in avoiding serious problems in certain places.

The housing issue continues to be a social problem. As a result of the new system of housing management, there has been a tangible increase in the population's interest in building their own houses. We support this process with increased state assistance. As social political allowances we allocated 1.8 billion forints more last year and through advantageous state and bank loans 8.2 billion forints more than in the previous year. The councils performed an activity worthy of appreciation in assisting the building of privately owned apartments mainly by ensuring the supply of plots. The enterprises increased their housing construction funds, and compared to the 17,000 in 1982, they gave employer support for 27,000 dwellings. In spite of all this -- especially because of the importance of the housing issue -- there is a need for further consistent measures and considerable efforts, and the government continues to keep this issue on its agenda.

Repeated Losses

In the fact that we achieved results in improving the living conditions, an outstanding role is played by the population's voluntary work. After careful consideration of requirements and possibilities, the councils determine the aims of voluntary work -- based on the proposal of the population and the PPF -- and they receive adequate support from the population in carrying them out. This support is manifold. Last year there was already a wide application of bond issues which contributed to the construction of the road and sewage network, gas-pipes, and social institutions.

We are proud of the results we have attained in the development of living standards of just demands. It must be understood, however, that all that we have done in this field places a great burden on the economy and in effect reduces the proportion within the overall income of income arising from work and reduces the possibilities of performance incentives. On the basis of this there is a justification for the continuous modernization of the system of benefits which better ensures harmony between the economic possibilities and society's sense of justice.

Last year's plan took into consideration the increasing role of the budget in developing incomes. The budget's income-regrouping role continued to increase during the year. As a result of deteriorating foreign market conditions and the lag behind the planned achievements in certain places, the regulation system became stricter in certain areas during the year, and this had an effect on the enterprises' economic activity, too.

Last year revealed, too, what we have been stressing for a longer time, that the management level of the enterprises is different: In addition to the great number of enterprises with above-average income or showing nicely improving achievements, for some time there have also been not a few poorly performing enterprises.

Among those performing well we can mention, for instance, the Taurus Rubber Manufacturing Enterprise, the Szigetvar Show Factory, the Alba Regia State Construction Enterprise.

Some other enterprises are struggling with longstanding problems, for instance, the Office Machines Manufacturing Enterprise, the Precision-Mechanics Enterprise, the Ganz-Mavag and the Veszprem County Construction Enterprise. Therefore, in spite of the general increase of enterprise income there has been an increase in the number of enterprises with losses and basic deficits. In certain areas, this is a phenomenon that is neither new nor temporary. Thus, for instance, as in 1982, 18 enterprises ended last year with recurring losses; also showing a basic deficit are 19 enterprises, and there are 12 enterprises with a profit-sharing deficit. In the determining majority of cases, losses were caused by the slow adaption to changing market demands, production organization, and management problems. Frequently earlier forced development that did not take into account adequately the market demands led to difficulties because the anticipated profits did not materialize.

From Their Own Resources

We consider it important that the enterprises arrange their financial deficits themselves, with their own resources by eliminating the causes that led to them.

We demand this because otherwise continued supplementary sources would have to be ensured at the expense of well-performing enterprises, and besides, this supplementary source would not be a solution in the long term anyhow. At certain enterprises these problems have very much accumulated; here the government has already partially taken actual measures and intends to take them. Among the enterprises that have got into difficulties, the majority, being aware of the situation, are fortunately taking steps on their own to avoid or eliminate the basic deficit. The Fine Cloth Enterprise of Baja, for instance, in order to prevent the basic deficit in its development fund sold one of its factory units; the Asphalt Road Construction Enterprise, seeing that it had not attained its planned achievement, while its responsibilities remain, slowed down its development activities. We consider these rather determined and healthy decisions.

Following last year's drought, agricultural enterprises' achievements, which are smaller than previously and show a big differentiation must be evaluated somewhat differently than usual. The resoluteness of the agricultural workers, and the timely organizational and financial measures have equally contributed to the fact that the majority of the enterprises succeeded in forcefully mitigating the unfavorable effects of the drought damage, although it must be recognized that the consequences of this damage will be felt this year, too. There was an increase in the number of agricultural enterprises with a basic deficit, however -- more than 100 compared to last year -- and the basic deficit also increased in spite of the fact that the enterprises, seeing the poor results of plant growing, overfulfilled their plans in animal breeding and eased the losses in achievements also by increasing the activity of ancillary plants. Here, unfortunately, problems are caused not only by the drought but also the export prices of agricultural products have been unfavorably developing for a long time: They decreased 8 percent in 1983 and the decrease is not expected to be less in this year, either.

We are aware of the fact that as a result of these serious circumstances and falling behind in national income, the necessary central measures contributing to smaller resources and the harmony during the year decrease the mobility of units pursuing an economic activity which do not increase their achievements or do so only very slowly. This has often been discussed.

It must be added, however, that a part of the enterprises has been and is getting quite a few different forms of financial support larger than planned, a little to the detriment of the other enterprises.

Wage Experiment

Contributions also increased last year and we had to take into account the consequences of this process in working out the budget for this year when we earmarked the decrease of these contributions and we wish to implement this by any means.

Speaking about the enterprise regulation, I must stress that we have concomitantly enlarged and are continuously enlarging the mobilization of resources, the possibilities aiding the revealing of resources. In order to make the technical development more effective, for instance, technical development enterprises emerged and the first financial institutions for development were created, too. These are able to share the risks of technical development with the enterprises, and encourage the more courageous and risk taking technical development. The majority of the enterprises already decided alone on the size of their technical development fund last year. In spite of the fear that the enterprises will decrease their development investment directed to this area, the facts show that this did not happen: Enterprises spent 7 percent more on technical development last year than in 1982.

We have brought new regulations for the increase in the encouragement and income of innovators and inventors. Those regulations that encourage transfer to development funds and issue of bonds contribute to the implementation of profit making investments of successful enterprises. In addition to this, considering the energy and material saving as strategically important issues, we stimulate and support the enterprises with separate financial measures, first of all credits, in their efforts towards this aim.

In 1983 we started experimenting at some 100 agricultural large enterprises and 21 construction and 9 industrial enterprises employing 117,000 workers, in creating an income and cross regulation which is more flexible than the current one and which, by an adequate tax system, creates a more direct relation between income and wages.

The larger part of the enterprises taking part in the experiment fulfilled the expectations, produced results better than the average and their internal management and interest system developed, too. The increase in wages at these enterprises exceeded the national average and it was based, in the majority of the cases, on surplus achievements. There are a few enterprises like, for instance, the Ganz-mavag or the cotton mill enterprises where proper harmony between the increase in wages and the increase in achievements was lacking. We are continuing the experiments this year on a wider scale.

The number of enterprises currently in the experiment includes 380,000 workers. We continue to follow closely the development of achievements and wages, and will use the experiences gained in the formulation of next year's cross regulations.

But we cannot afford to forget that even the most flexible regulation cannot allow an outflow of income that is not in line with achievements and profitability. For this, in more serious cases, the enterprises must be excluded from this favorable possibility.

From among our new measures, the greatest interest was created by the small types of enterprise and, although in this new form introduced in the last 2 years the number of participants made up 5 percent of the labor force at the end of 1983, this is not so important as part of public opinion considers.

Besides, the majority of the participants are active near their main job and not as independent entrepreneurs. The new forms of enterprise developed first of all as the background industry for the large enterprises; they supply this kind of services and production and supplement well the traditional organizational forms. Their interest in public services is smaller than expected. According to the government, the experiences gained in connection with the small forms of enterprise are generally favorable, but the strengthening of their social and economic role requires that they consistently eliminate the illegal phenomena as soon as possible, that they eliminate the incompatibility that occasionally appears, while we demand from the enterprises a clear and unequivocal separation of achievements attained during working relations and those attained in the small enterprises, and we shall supervise how the price setting regulations are observed. This required that both state and enterprise internal control be strengthened and also that the local political and social organs are able to estimate the achievements of small forms of enterprise and the conditions of the application of these achievements at the large enterprises in question.

Consistent Calling to Account

I can also report the fact that, beginning with 1983, the management structure of the budget institutions also developed, and their interest both in incomes and economical management increased. There should be no misunderstanding. We are not speaking here about the thorough application of some sort of profit making interest but we cannot relent in our demand that in the case of budget institutions, too, there is a way to aid, through their own initiative and the creation of supplementary material sources, the better fulfilment of their basic tasks. In the interest of a more rational and more efficient operation of the institution network, the cultural houses, the theaters, film production, and publishing of books are operating according to new, modified management regulations, and a series of other institutions have become interested in expanding their services and even in selling abroad.

Bearing in mind the requirements, the government decided several years ago to reduce the number of management organs. The deadline for this series of measures expired last year and as a result the number of those employed in management decreased 1,500 in 5 years.

Up till now I have dealt with the important facts of the past year's economic life. Our results could be achieved only by the active and hard work of millions. We must be aware, at the same time, of the fact that along with their taxing work, the workers are now reacting more strongly when the rules are broken and when there is laxity and waste around them. They expect efficient control and mistakes are rectified as a result. We know that one way or another failures and breaches of regulations always operate to the detriment of the population. Therefore, it is our inalienable responsibility to take a firm and consistent stand against all those phenomena that are illegal or lead to the acquisition of unjustified material advantages through the disregard of moral rules, negligence, and waste. The damage caused is not at all only material damage but also huge social loss and moral degradation. We must say unfortunately that, in spite of justified requirements, control and the consistent utilization of the experiences of control is not a popular task.

In cases where large-scale negligence is revealed and it is shown that people frequently close their eyes to abuses it is more usual today to find people beginning to make excuses than taking action to improve matters. The justified requirement for increased appreciation of the leaders, however, can be fulfilled only if we assert their responsibility in this area, too. The indications of our control organs also show that by exercising basic care and caution the managers—whether in big or small enterprises--either knew or should have known about the numerically larger part of incomes illegally acquired, or incomes not in proportion to the work, or that had been acquired without work.

I am not being unjustly severe when I stress that nobody has the right to defraud the community as a result of his own personal interpretation of how legal regulations should be observed, not even if I myself consider the rationalization of certain measures as justified. For the requirements apply to everybody -- to enterprises, to managing organs, to subordinate workers, and leaders alike. Resolute and disciplined work and consistent control is our citizen's responsibility in the same way as protecting public property or paying taxes on time is.

Warning Signs

I stress again: The fundamental thing about revealing mistakes should always be the desire to improve; its meaning, however, is confirmed only by the measures and deeds following control. Calling to account following the control, or positive appreciation -- there is such a thing, too, and there should be -- are means of improving our work which we must steadily make use of.

When I ask for approval for last year's budget implementation, it is necessary to speak about our current tasks, too. The important and fundamental achievements of last year enabled us, and our external conditions made it necessary for us to confront the country and the economy with greater targets but requirements that can be realistically fulfilled in 1984. Thus, compared to the slow rate of increase of the national income last year, we must achieve an increase of 1.5-2 percent this year. In the period up to now this year, industry has increased its production dynamically, more than 4 percent, and this was achieved with a decline in the number of those employed. There has been an increase also in the purchase of agricultural products. Exports to socialist countries have expanded, too.

All these are favorable phenomena and it shows that there is a revival in the economy. But there are serious warning signs. The income from exports accounted for in convertible currency has not yet reached the level planned for the period and this is caused not only by the poorer agricultural production of last year, but also the insufficient export achievement of one or two industrial branches. If we want to maintain our liquidity and avoid the administrative restriction of imports, which must be avoided at all costs, we must even more actively promote the increase of exports in all areas. This must be made the driving force behind the increase of production. The data of the first months do not reflect that we have achieved this clearly. Domestic sales could play a bigger role in increasing production which would be made possible by a larger than planned increase of investment purchasing power and the population's cash incomes. That is why we must stress the importance of export incentives. This year--and I add, next year, too--we can only distribute incomes that we have produced, and from it only that much which we have to spend at home after fulfilling our international obligations.

In order to enable the increase of social well-being, while bearing this in mind, there is a continuous need for the working out and operation of means that place the center of gravity of production on increased creation of income. The extension of wage experiments and the advantages connected with achievements reflect this path in our current economic activity. We wish to stimulate the economy's achievements also by reducing support that weakens the achievement targets. This is a difficult task but in any case it is better to do this than to continue to burden enterprises that are performing well or to relent in protecting the standard of living. Of course, when we consider the protection of the standard of living as our first task, then we must also take into consideration that, as a result of the above-planned development of the population's income, the planned increase in the consumer price level cannot be avoided or slowed down.

Based on the first quarter's experiences, the government has taken several measures to influence economic processes, first of all to make sure that investments are kept within the framework of the plan. We wish to influence the development of enterprise investments by a more selective credit policy than up to now, but this very selection indicates that we are allocating more credit for energy-saving goals than originally planned. A decision has been made for the surplus allocation of 300 million forints to improve the possibilities for young people to acquire their own apartments. There is a need for a more differentiated credit judgment that better takes into account the particular situation when granting credit for housing in order to be able to completely fulfill the justified needs.

There is also a need for great thoughtfulness at budget institutions and councils. At certain institutions, a part of the available resources remains unspent and we would like to regroup these for such important tasks as, for instance, renovations -- I refer here to the issue of the museums or similar issues.

Along with the regrouping made with central help, the local independent activity continues to be indispensible and more than that, its importance in supplying the infrastructure is clearly increasing. In the same way as turning available rooms into general school classrooms has helped overcome the severe difficulties for some years, in the coming years we must achieve a similar process in order to ease the problem of high school classrooms.

Directions of Activity

In solving the tasks facing us we must also take into account that we shall be changing over to the 40-hour week in industry this year. This, however, should be done in such a way that we strictly require that the shortened working time is fully used and that the managers create the organizational prerequisites everywhere. We took this into account when we decided to increase the shift premium and high temperature working place premium. In addition, we are planning -- taking into consideration the proposals of the trade unions -- a 10 percent increase in wages for teachers employed in elementary and high school education, and some other central wage measures which together will affect close to a quarter of a million workers.

In conclusion, allow me to draw attention to two events of great importance from the point of view of both external and internal conditions of our construction work. Our relations with the member-states of the socialist economic community are of key importance in our foreign economic relations. Their deliberate development contributes to our successful participation in the international division of labor. The decisions made at the recent CEMA economic summit conference therefore determine in the long term the framework of economic development of the socialist economic community, and thus of our country's economic development, too. Hungary is directly interested in deepening integration among member-countries and in expanding economic, scientific, and technical cooperation. We are very pleased therefore, to welcome the idea of the realization of this meeting, we participated actively in the preparatory work, we agree with the positions, and we will do our best to make sure that they are carried out as fully as possible.

The other important event is the April session of the MSZMP Central Committee and the position taken on the further development of economic macromanagement. The state organs consider their primary task as being to work out the concrete measures based on the designated directions of activity, and prepare their implementation in time. In this we rely also on the contribution of National Assembly committees involved with the work of next year's plan and regulations.

GOVERNMENT SPOKESMAN HOLDS PARIS NEWS CONFERENCE

LD292046 Warsaw Domestic Service in Polish 1700 GMT 29 Jun 84

[Text] A news conference by Jerzy Urban, the PPR Government press spokesman, was held today at the Polish Embassy in Paris.

It met with considerable interest. It was attended by representatives of the most important French mass media and by correspondents of the international press acredited in Paris. Minister Urban explained that the news conference was held in connection with the forthcoming 40th anniversary of the PPR. He said that the account of this period is positive despite known difficulties. In his preliminary speech, the government press spokesman also dealt with Polish-French relations, underscoring that through no fault of ours, they are not in line with longstanding tradition.

Jerzy Urban drew attention to the nature of publications about Poland appearing in the French press, and their negative influence on shaping the view of public opinion. Subsequently he presented an overview of the situation in Poland.

Answering questions, he spoke about the course of the recent election, about social attitudes, economic problems, and about the political opposition. His statements were received with great attention.

Already this afternoon, first reports on the conference have appeared in various French radio and television programs.

Urges Closer Ties With France

LD012209 Warsaw PAP in English 1719 GMT 30 Jun 84

[Text] Paris 30 June -- Spokesman for the Polish Government Jerzy Urban gave a press conference in Paris on June 29. The conference was attended by about 70 journalists representing central French dailies and broadcasting stations as well as many foreign correspondents accredited in Paris. At the beginning of the conference, Jerzy Urban made a statement on the current state of Polish-French relations. The first government which recognized the new Polish authorities in autumn 1944 was the French Government, De Gaulle's government, and we do not forget about it in Warsaw even at those times when the Polish-French relations are worse, Jerzy Urban stated and went on to say:

This initiated a model of coexistence between countries with different political systems which proved lasting and advantageous one for Europe. My government is of the opinion that it would be a pity to waste these achievements.

I will state briefly that over these forty years Poland has made a giant civilizational leap, and though, economically, times are worse for us now, what Polish society has achieved under the conditions of a new political system for these forty years, can be compared with other countries' achievements gained over 150 or 200 years.

Introducing the martial law on December 13, 1981, the Polish authorities were defending this shape of Poland, this geographical shape, the shape of Poland's borders and this shape of political system which is a pre-condition for the existence of the Polish state. We were also defending the internal order and basic conditions for further existence of society. If martial law had not been introduced the civil war would have probably broken out.

I would like to make you see Polish matters also from the point of view of real policy, and not only from the point of view of fondness for some general slogans spread by our oponents.

In spite of the fact that the situation in Poland stabilizes and improves, and we are introducing wide and interesting reforms at home, the influence of our internal developments on the improvement of Polish-French relations is not big enough. These relations are bad, and recent signs of their improvement must be recognized as weak. I am of the opinion that Polish-French relations in the 1970's, very good relations as it is known, were a model for East-West relations, for relations between countries with different political systems. We do not understand why it was possible for the French authorities to cultivate and maintain those relations then, and it is not possible now, even though we have made a giant, democratic improvement in our internal relations when compared with the 1970's.

We deplore the bad state of Polish-French relations, because they are marked by not only political calculations but also great feelings. We deplore the French authorities' attitude towards Poland.

I am of the opinion that it is necessary to think what can be saved from the achievements of Polish-French relations not only for the good of those relations but also for the good of the system of coexistence of states with different political systems in Europe in general.

We are open to every step taken by France to improve relations and expect her to take such steps. This is one of the factors influencing a model of coexistence of countries with different political systems in Europe. We view this in these terms that this is one of the factors, because relations with France, although very important for Poland, are not the question of to be or not to be for Poland.

In reply to questions, Minister Jerzy Urban stated that the number of persons tried and convicted to prison terms for politically motivated offences amounts now to 61 in Poland We intend to have no political prisoners in Poland. And these are not only verbal declarations, as since December 13 we have proclaimed one abolition and one amnesty act. Irrespective of this, the Council of State freed most political prisoners in 1983 under the clemency act.

More or less a year ago, I announced also the desire to solve the problem of the eleven leading detained "opponents". We have been seeking a solution to this question. So far it has not been possible to find such a solution.

In this connection, the date of a trial of the four of the detained persons was announced and preparations for a trial of the remaining seven are not yet advanced enough. If other solutions fail, and we are open to very diversified solutions, the procedure of the administration of justice will certainly start operating also in this respect.

WEU REACTIVATION CONNECTED TO REAGAN STRIVINGS

LD291654 Warsaw PAP in English 1430 GMT 29 Jun 84

["'West European Union and Budeswehr,' by PAP Military Commentator" -- PAP headline]

[Text] The Council of Ministers of the West European Union [WEU] at its meeting in Paris this month chaired by French Foreign Minister Claude Cheysson decided to reactivat this military and political organization of seven European countries, namely, France, Great Britain, the FRG, Italy and the Benelux states.

Present attempts to animate and give vigour to the West European Union are directly connected with strivings of the Reagan administration and NATO military circles to develop a new type of conventional armaments in Western Europe.

Practice has proved that the road leading from nuclear Pershing II and cruise missiles to their conventional version was deliberate and short. The serial production of cruise missiles with conventional warheads has already begun. Works are under way on adjusting Pershing II missiles to conventional war. The Pershing CAM-40 and CAM-10 systems armed with a cassette warhead which includes up to 124 submissiles is being built on the basis of this rocket.

The case is similar with the AXE system which originates from the most advanced American strategic medium-range ballistic missile Trident C-4. These are examples of a new wave of dangerous military innovations that are developed in the U.S. and whose aim is to win for NATO the military edge also in the field of conventional weapons. The goal is for the new generation of this weapon to be deployed in Western Europe, especially by armies of the leading West European states.

The issue has been cleared up by Claude Cheysson who said that "the governments of the West European Union will abolish restrictions imposed on the production of conventional weapons which are still in force in relation to the FRG."

It is beyond dispute that the West European Union had been used as a tool to introduce the FRG into NATO and that it significantly contributed to the militarization of this state.

FRG military circles are again counting today on the West European Union which is paving the way for Bundeswehr to get strategic missiles, for the time being in conventional version.

REAGAN TALKS PROPOSAL CONSIDERED ELECTION PLOY

AU281218 Warsaw ZYCIE WARSZAWY in Polish 26 Jun 84 p 5

[Ewa Boniecka commentary: "What 'Summit'?"]

[Text] The Democrats have for the past month been accusing Reagan of causing the worst U.S.-Soviet relations in 22 years, while the candidates for the presidential nomination, with Mondale at the fore, are saying that work to improve them is a priority of their foreign policy. Influential Republicans like Howard Baker, the leader of the Senate majority, and Charles Percy, chairman of the Foreign Affairs Commission, are increasingly upbraiding Reagan for the lack of dialogue with the USSR on the highest level, and that goes without mentioning the constant insistence from its Western European allies for Washington to ease its policy line in relation to Moscow.

And now, at almost the eleventh hour -- that is, 6 weeks before the Republican convention -- there is hardly a day when Ronald Reagan does not express the desire to hold a U.S.-Soviet summit. At press conferences he speaks of readiness for dialogue with the USSR, although these words are not accompanied by the slightest sign that there will be a departure from the political policy line that has been pursued up to now and the President is demanding billions more dollars for nuclear arms.

Even the U.S. press is interpreting this "new Reagan tone" as pre-election tactics. The weekly TIME states in its latest issue, that "Reagan's softer line is not so much aimed at Moscow, as it is at the U.S. voters." This same weekly cites the opinion of a senior White House advisor, who openly states that "by adopting a more conciliatory tone on the USSR, Reagan wants to thwart the criticism of the Democrats."

The many U.S. politicians and commentators who have correctly interpreted Reagan's motives have sharply rebuked the President for his aggressive speeches and the activities he has undertaken until now concerning East-West relations. House of Representatives Speaker O'Neill frankly stated that, "Reagan has built a wall and thrown stones over it. Now he wants to put a slit into it and extend his hand through it."

The USSR reaction to these tactical preelection maneuvers of Reagan's is a calm one. As Leonid Zamyatin, head of the CPSU Central Committee International Information Department, recently reminded us, the Soviet Union always considered and considers summit talks as being beneficial, on the condition that they stand a chance of bringing definite results. In a situation where Washington's policy on the Soviet Union does not change in the slightest, it is difficult to perceive any serious intentions in the U.S. President's recent declarations.

The leaders of the USSR and the United States have not met at the same table for 5 years, while in the meantime, the nuclear arms race has been dramatically aggravated. So the entire world would be relieved to hear there was a possibility of a Soviet-U.S. summit session. However, the point is that during his 3 and 1/2 year presidency, Reagan has done everything to talk to the USSR "from a position of strength." Therefore, what is needed is more than a change of tone to enable him to convince people that he wants to abandon this policy.

THESIS OF RIGGED ELECTIONS UNSUPPORTED BY DATA

LD291216 Warsaw PAP in English 1117 GMT 29 June 84

[From the press review]

[Text] Analyst Leon Wilczewski of the Polish Army daily ZOLNIERZ WOLNOSCI today recalled that the anti-election campaign carried out by the internal and Western anti-socialist centres had been pre-planned in detail. In another article of the series headlined "Political Underground Vis a Vis the Elections", the newspaper wrote:

"In spite of demonstrations 'an unshaken confidence' that society would give full support to the election boycott plan, the final stage of the anti-election campaign was marked by elements allowing for a manipulatory interpretation of the defeat and disguising it as a victory (for the underground).

"Also the information was spread suggesting that the election returns will be rigged.

"Broadly publicized was the thesis that all the past elections in People's Poland had been rigged. Significantly, no data that would substantiate that thesis were advanced.

"At the same time, the Western radios began to spread the view that some citizens would go to the polls out of fear of reprisals.

"The West's Polish language radios had made a stupendous propaganda effort to goad a major part of society into boycotting the elections and to prove that society is ill-disposed towards the authorities and socialism.

"Watching the radio's everyday actions, one had the impression that they treated the elections as a do or die battle for their own credibility and popularity with Polish society. The internal underground centres played an auxiliary role in that battle," the Army newspaper's analyst.

ECONOMIC COOPERATION WITH PRC EXPANDED

Upward Trend Restored

LD301134 Warsaw PAP in English 1108 GMT 30 June 84

[Text] Warsaw 29 June -- Poland's trade turnover with China is expected to amount this year to 452 million Swiss francs under a trade agreement with that country, with each side supplying goods worth 226 million francs. This trade is to be accompanied by considerable contracts and barter trade.

In the 1970's Poland's trade with China was slowly but steadily increasing and reached the peak of 435 million Swiss francs in 1979. After a considerable decline in 1981, the upward trend was restored.

Poland imports significant raw materials from China such as wolfram ore concentrate, antimony, mercury, paraffin. It also purchases foodstuffs, including pig's guts, rice, tea, and rape seed, cotton and silk materials, textile products, pharmaceutical raw materials as well as tyres for heavy vehicles and a considerable variety of either industrial or craftsman's consumer goods.

Polish exports to China include metallurgical products, raw materials and semi-finished products, including chemical ones, machine and plant as well as cars (1,500 this year).

In 1982-83 Poland imported a total of 70,000 tonnes of Chinese pork on convenient credit terms and has signed a similar deal for 10,000 tonnes of meat this year.

Prospects for Poland's economic relations with China are favorable and there are possibilities to expand economic cooperation with that country.

China is interested in receiving machine and plant, for the coal industry in the first place, and ships. Other fields where chances for expanding cooperation are visible include electronics and automation, machine and plant for complete investment projects for the food industry, and the automobile industry.

The Polish know-how is also successfully offered, especially in mining. One can also see interest in establishing long-term co-production ties.

The expansion of cooperation is both in the interest of and favorable for both partners. The years to come are expected to bring about visible results of this.

Cooperation Agreement Signed

LD302006 Warsaw Domestic Service in Polish 1700 GMT 30 Jun 84

[Text] An agreement on Polish-Chinese economic and technical cooperation and a protocol on the setting up of an appropriate Polish-Chinese committee have been signed in the Office of the Council of Ministers. It is anticipated that during the next few years, trade, industrial cooperation, and the exchange of specialists will increase. Chen Muhua, PRC minister of foreign economic relations and trade is paying an official visit to Warsaw.

Ministers Comment on Talks

LD012103 Warsaw PAP in English 1701 GMT 1 Jul 84

[Text] Warsaw 30 June -- Member of the State Council, minister for economic relations with abroad and foreign trade of the People's Republic of China, Chen Muhua, is on an official visit to Poland at the invitation from Vice Premier Janusz Obodowski and Foreign Trade Minister Tadeusz Nestorowicz.

Today, Minister Chen Muhua had talks with Vice Premier Obodowski and Minister Nestorowicz on the possibilities of further broadening economic cooperation, trade, scientific and technical exchange. Both sides examined particularly questions of the swift growth of commodity exchange in the coming years. This is to be attained by applying new forms of collaboration such as for instance reconstruction of China's factories, industrial cooperation, enriching the selection of the exchanged goods and the exchange of specialists.

Both sides reached preliminary agreement on the possibilities of signing long-term Polish-Chinese trade agreement for the period of 1986-1990.

At the office of the Council of Ministers, the two sides signed two inter-state documents that are very important for long-range possibilities of economic cooperation:

-- an agreement between the Polish and Chinese Governments on Cooperation in economy and technology.

-- a protocol between the Polish and Chinese Governments to set up a Polish-Chinese Committee for Economic, Trade, Scientific and Technological Cooperation.

Ministers Nestorowicz and Chen Muhua signed these documents on behalf of their governments. Present were Vice Premier Obodowski, who is chairman of the Commission for Coordinating Economic, Scientific and Technological Cooperation With Abroad, and Ambassador of the People's Republic of China to Poland Yu Hongliang.

Minister Chen Muhua told PAP on the occasion: "We are very satisfied over the course of the talks. One can say that they open a new stage in economic relations between our countries and are a qualitatively higher starting point for the development of these relations. Broader possibilities of commodity exchange and cooperation in science and technology and industrial cooperation emerge now with good prospects to the benefit of our countries and their economic development."

Poland's foreign trade minister, Tadeusz Nestorowicz, said: "It was a very important meeting. In the past few years, commodity exchange between Poland and China has been rising gradually. There have been conditions and opportunities to further increase it. We see them, first of all, in industrial cooperation. Some time ago, Poland built factories in China. We take joint interest in modernizing them."

"Also, the structure of turnover is beneficial to both sides. There are prospects for signing a five-year trade agreement. This is promoted by setting up the Polish-Chinese Committee for Cooperation in Economy, Trade, Science and Technology."

"The signed documents provide opportunities to increase the imports of marketables and some raw materials."

COMMUNIQUE ON ORTEGA VISIT CONDEMNS U.S. POLICY

AU281034 Warsaw TRYBUNA LUDU in Polish 26 Jun 84 pp 1, 7

[Zdzislaw Antos commentary: "A Joint View"]

[Text] Poland and Nicaragua are separated by the huge expanse of the Atlantic. They are joined by a stubborn struggle for freedom, marked by long-lasting occupations by foreign armies and huge human and material sacrifices. For Poland, this fortunately belongs to the past, but for Nicaragua it is both past and present. Nicaragua is subject to daily attacks on its territory by counterrevolutionary groups enjoying the protection of the CIA and Reagan himself.

Today we are also joined by experiences stemming from coexistence with imperialism and from the need to repulse imperialism's aims. Both Poland and Nicaragua are the targets of economic discrimination and of attempts to use the economic situation for political purposes. Both Poland and Nicaragua are the objects of imperialist forces' aims to upset the domestic situation in our countries.

Both Poland and Nicaragua have the right to feel their own honor and pride and to feel that international law is on their side. Both Poland and Nicaragua are on the side of international law.

The above is a summary of the communique from the talks between Wojciech Jaruzelski and Daniel Ortega.

Support for international law, in other words for civilized norms of coexistence between states with various systems, means the following, among other things:

-- opposing the policy of diktat, military pressure, and military intervention; and supporting equal dialogue for the solving of world and regional conflicts;

-- condemning the policy of restrictions and economic pressure which are a fundamental violation of the UN Charter.

As a result of a far-reaching consensus of views on the situation in the world, especially in Europe where our vital interests are concentrated, and in Central America where Nicaragua is situated, the communique contains a condemnation of American confrontation policy and support for the idea of detente and negotiations on the basis of a respect for the right to self-determination.

The communique also stresses the will of both sides to enhance comprehensive cooperation. The close consensus of views presented above should facilitate this cooperation.

JARUZELSKI RECEIVES CUBAN PARTY OFFICIAL

LD292302 Warsaw Domestic Service in Polish 1700 GMT 29 Jun 84

[Text] Wojciech Jaruzelski has received Jesus Montane Oropesa, alternate member of the Cuban Communist Party Central Committee Politburo. During the meeting, satisfaction was expressed over the well developing cooperation between the parties and the states. Active contacts between youth and sociopolitical organizations were emphasized.

POLISH, CUBAN YOUTH GROUPS ON EXCHANGE VISITS

LD291722 Warsaw PAP in English 1421 GMT 29 Jun 84

[Text] Warsaw, Havana [as received] 29 June -- A 163-strong group of young Cuban workers, students and pupils led by Fidelio Sanchez Suarez, secretary of the Main Board of the Communist Union of Cuban Youth, arrived for a visit to Poland paid at the invitation from Prime Minister General Wojciech Jaruzelski.

The programme of the visit makes it possible for the Cuban Youth Brigade to visit places of struggle and martyrdom of the Polish nation, factories and some famous Army units. It also provides for a possibility to exchange views on the complex world situation and efforts taken by the socialist community, including Poland and Cuba, to consolidate peace.

On the same day the 2nd Polish Youth Brigade headed by Julian Nuckowski, deputy head of the Polish Pathfinders' Union (ZHP), arrived at the Jose Marti Havana Airport for a month-long visit in Cuba.

The Polish brigade is composed of students, workers, farmers and young military officers who come from various regions of Poland.

JARUZELSKI, SCHUERER STRESS ECONOMIC COOPERATION

LD291807 East Berlin ADN International Service in German 1509 GMT 29 Jun 84

[Test] Warsaw, 29 Jun (ADN) -- Wojciech Jaruzelski, first secretary of the PZPR Central Committee and chairman of the Polish Council of Ministers, received in Warsaw today Gerhard Schuerer, candidate member of the SED Central Committee Politburo, deputy chairman of the Council of Ministers, and chairman of the GDR State Planning Commission, who is in Warsaw for talks on the coordination of the economic plans for 1986 to 1990. Gerhard Schuerer passed on the cordial greetings of Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State Council, which were cordially reciprocated.

The two sides noted that the agreements of the highest representatives of both states have given important impetus to the development of bilateral relations between the GDR and Poland. This applies above all to economic and scientific-technological cooperation, which is of great importance for both countries.

Wojciech Jaruzelski and Gerhard Schuerer stressed that what mattered now was to carry out comprehensively the process of intensification of the economies and to secure this process on a long-term basis so as to constantly raise economic performance for the good of the people and the preservation of peace. The starting point for this is the provisions laid down during the top-level economic talks in Moscow, which aim at utilizing even more comprehensively the advantages of socialist economic integration and of the socialist planned economy.

In view of the aggravated confrontation and arms buildup policy of the United States and NATO, closer and more effective cooperation between the CEMA countries is of particular importance.

Later in the talks, the two sides briefed each other on the great efforts of the workers of both countries in preparation of the 35th anniversary of the GDR and the 40th anniversary of the rebirth of Poland.

With the historic changes achieved in the liberation from fascism and on the path of socialist development, irrevocable factors have been created for social progress in central Europe. They represent, Wojciech Jaruzelski and Gerhard Schuerer said, an important factor for peace in Europe and create the preconditions for a new quality in relations between the two peoples. All further progress in the fraternal relations between the two states and peoples are important contributions to the strengthening of the unity and cohesion of the socialist community and thus to the implementation of the agreements reached in Moscow by the representatives of the socialist fraternal countries.

Gerhard Schuerer ended his trip to Warsaw with the signing of a joint protocol on the working meeting of the chairmen of the central planning bodies of the GDR and Poland.

POREBSKI, DELEGATION PAY VISIT TO MOSCOW

LD300933 Warsaw Domestic Service in Polish 0400 GMT 30 Jun 84

[Text] A group of leading PZPR activists led by Tadeusz Porebski paid a visit to Moscow. The CPSU Central Committee discussed with Porebski issues of further deepening contacts and mutual exchange of experience in party construction.

CEREMONIES COMMEMORATE POZNAN JUNE 1956 EVENTS

LD291326 Warsaw PAP Maritime Press Service in Polish 1200 GMT 29 Jun 84

[Text] Ceremonies commemorating the June 1956 events, during which Poznan workers demonstrated in protest against violations of the principles of social justice and bureaucratic deviations, have taken place in Poznan. A joint delegation of the Patriotic Movement for National Rebirth voivodship council, the voivodship people's council, and the regional party and administrative authorities laid bouquets of flowers at the foot of the monument.

RIOT POLICE DISPERSE POZNAN DEMONSTRATORS 28 JUN

NC291426 Paris AFP in English 1418 GMT 29 Jun 84

[Text] Warsaw, June 29 (AFP) -- Police used teargas to disperse about 1,000 people who staged a demonstration last night in Poznan, northern Poland, in memory of bloody riots there in June 1956, eyewitness reports reaching Warsaw today said. The demonstration began after a mass celebrated by Father Henryk Jankowski, priest at the naval shipyards of Gdansk on the Baltic coast where the banned trade union Solidarity was born, the witnesses said.

As they left the church, about 1,000 people formed a procession to march to a monument dedicated to the 71 people who died, and the 300 wounded, in the "bread and freedom" demonstration of June 28, 1956. The marchers travelled about 100 meters (yards) chanting "Solidarity will live" and "Long life to (former Solidarity leader Lech) Walesa, before they came up against the ZOMO (riot police). The ZOMO also prevented them returning to the church, using teargas and the treat of water cannon to disperse them.

Earlier, during the church service, Father Jankowski read a message from Nobel Peace Prize Laureate Mr Walsea which stressed that "the death of the workers of Poznan was not in vain." Neither the days of Solidarity's legality after August 1980, nor "the sad current period of the apparent triumph of violence, can hide the fundamental truth," he said.

"Guns, repression and threats to 'cut off the hands' of the enemies of socialism (a threat made after the Poznan demonstration) will not stifle human dignity".

At the same time as yesterday's demonstration, radio Solidarity managed to broadcast for a few minutes to prisoners in Poznan jail, through loudspeakers set up on nearby roofs. However, police soon disconnected the speakers.

BOGDAN BORUSEWICZ REPLACES BOGDAN LIS IN TKK

NC301634 Paris AFP in English 1606 GMT 30 Jun 84

[Text] Warsaw, June 30 (AFP) Solidarity official Bogdan Lis, arrested on June 10 in Gdansk, has been replaced by Bogdan Borusewicz as second in command of the banned union's underground leadership, TKK [Provisional Coordinating Committee], the group said today. Mr. Borusewicz, 35, underground since the Polish state of siege in December 1981, becomes one of the five members of Solidarity's nationwide underground command, a TKK statement said.

PRICES OFFICE ANNOUNCES CHANGES EFFECTIVE 1 JULY

LD291743 Warsaw Domestic Service in Polish 1700 GMT 29 Jun 84

[Text] The Price Office has anounced that beginning 1 July contract purchasing prices for some agricultural products will increase. And so, for instance, the contract purchase price of wheat is to increase to Z2,200 per quintal, sugar beet to Z370 per quintal. The price of beef from young animals for slaughter of over 300kg weight will be Z130, and the price of slaughter animals for pork is increasing to Z155 per kilogram.

In accordance with earlier announcements, there are no plans to increase the official retail prices of food this year.

The increased contract purchasing price makes up for increases in costs of production for farmers, caused by increases in prices of some means of agricultural production in the first 6 months of this year and also by the increases planned for the second half of this year.

It has also been decided to abandon the intended, and economically justified increase in the price of pesticides.

More on Price Increases

LD300922 Warsaw Domestic Service in Polish 0300 GMT 30 Jun 84

[Text] Purchase prices paid for certain agricultural produce are going up as of tomorrow. Suppliers will receive up to Z2,200 for one quintal of wheat; up to Z2,000 for barley; up to Z370 for sugar beet.

Livestock breeders will receive up to Z130 for one kg of beef from young cattle for slaughter; up to Z100 for other varieties of beef; up to Z155 for one kg of pork; up to Z915 for wool. These are average prices. Concrete prices, varying in accordance with the quality and categories of the produce to be purchased, are to be found in price lists. These increases aim to maintain profitability of agricultural production and economic incentives for its development, essential to implement the nation's food program.

INVESTMENT TEAM NOTES SPENDING EXCEEDS PLAN

LD300937 Warsaw Domestic Service in Polish 0200 GMT 30 Jun 84

[Text] Spending exceeded the plan by Z175 billion over the past year, according to a team of deputies and members of various commissions in charge of investments. The team assessed the course of investment processes during the past year.

This phenomenon is of essential significance for the economic equilibrium, since it is one of the sources of growing inflation.

The main reason investment discipline broke down was higher spending on housing construction, to the tune of more than Z90 billion.

The deputies formulated a conclusion which says that the issue of investments must be rectified, both in the structure of spending and in the uses to which it is put, as well as in the field of mechanisms connected with the economic reform, mechanisms which would improve the investments process.

SEJM TO MEET 2 JULY, AGENDA SUMMARIZED

LD012002 Warsaw PAP in English 1714 GMT 1 Jul 84

[Text] Warsaw, July 1 -- The Sejm (Polish parliament), begins a two-day meeting tomorrow, July 2nd, to hear a government report on the performance of the agriculture and food economy development programme by 1990, and on the situation in production means supplies for farms.

The diet will size up the results obtained after the first year of the food programme's implementation. The government report points to both: achievements and fields where targets have not been fully reached. The productivity of material outlays in private and socialized farms, among other things, has grown but on the other hand, food industry investments are jeopardized.

As the next item on the agenda, Sejm committees will produce a report on the government proposal headlined: "Housing Policy: Realization and Plans." Implementation of this first-priority social problem, which was broadly discussed by parliament in the beginning of last April, requires a joint effort on the part of the state, local self-governments, enterprises, and citizens.

Moreover, the Sejm will consider the draft law on budget and several other bills. The new budget bill is intended to strengthen parliament's surveillance and realization of the budget, and the supervision by representaive organs over local budgets.

JARUZELSKI RECEIVES WIDF LEADER 26 JUNE

LD261525 Warsaw PAP in English 1438 GMT 26 Jun 84

[Excerpt] Warsaw 26 June -- The PUWP CC first secretary and Poland's prime minister, Gen Wojciech Jaruzelski received here today Chairwoman of Women's International Democratic Federation WIDF Freda Brown, who has been visiting Poland at the invitation of the leadership of the Polish women's movement. The talk focused on the initiatives and moves taken up by the international women's movement with an eye to preserve peace and halt the arms race.

U.S. VESSELS END VISIT TO PORT OF CONSTANTA

AU291907 Bucharest AGERPRES in English 1850 GMT 29 Jun 84

[Text] Bucharest, AGERPRES 29/6/1984 -- The American ships "Biddle" and "Truett", that paid a visit to the port of Constanta, left the Romanian territorial waters in the morning of June 29. During their sojourn in Romania the crews saw round places of historical, cultural and tourist interest in the town of Constanta and along the Romanian Black Sea shore. On the occasion the guests laid a wreath at the Monument of Victory in Constanta.

FRENCH COMMUNIST LEADER MARCHAIS ARRIVES 30 JUNE

AU301925 Bucharest Domestic Service in Romanian 1900 GMT 30 Jun 84

[Text] Comrade Georges Marchais, secretary general of the French Communist Party, arrived today in Bucharest on a visit and for a vacation in our country at the invitation of RCP Secretary General Comrade Nicolae Ceausescu. The guest was welcomed at Otopeni Airport by Comrades Emil Bobu, member of the Political Executive Committee of the RCP Central Committee, Ion Stoian, candidate member of the Political Executive Committee and secretary of the party Central Committee, and other party aktivists.

NITA MEETS SPANISH TRADE UNION LEADER CAMANCHO

AU271816 Bucharest AGERPRES in English 1603 GMT 27 Jun 84

[Text] Madrid, AGERPRES 27/6/1984 -- The delegation of the General Trade Union Confederation of Romania [GTUCR] led by Constantin Nita, secretary of the GTUCR Central Council, that attended the proceedings of the Congress of the Workers' Commissions of Spain, was received by Marcelino Camancho, secretary general of the Workers' Commissions.

On the occasion Marcelino Camancho requested that President Nicolae Ceausescu be conveyed cordial greetings, his feelings of esteem and valuation as well as best wishes of good health and happiness, of further successes in leading the Romanian party and state, in building the multilaterally developed socialist society in Romania.

BOOK ON CEAUSESCU'S 4 JUN MOSCOW VISIT PUBLISHED

AU301800 Bucharest AGERPRES in English 1652 GMT 30 Jun 84

[Text] Bucharest, AGERPRES 30/6/1984 -- The Political Publishing House in Bucharest put out a volume titled "Interview and Talks Between Comrade Nicolae Ceausescu, General Secretary of the Romanian Communist Party, President of the Socialist Republic of Romania, and Comrade Konstantin Chernenko, General Secretary of the Central Committee of the Communist Party of the Soviet Union, Chairman of the Presidium of the Supreme Soviet of the USSR -- June 4, 1984."

The volume contains the speeches made by Nicolae Ceausescu and Konstantin Chernenko, the communique on the Kremlin talks and an account of the ceremony when the RCP and Romanian state leader was awarded the order "The October Revolution."

It also includes the communique of the meeting of the Executive Political Committee of the CC of the RCP which expresses high appreciation and full approval of the results of the Romanian-Soviet summit, of the whole visit President Nicolae Ceausescu paid to the Soviet Union -- a new and important contribution to the development of the friendly Romanian-Soviet relations, of the collaboration among socialist countries, to the strengthening of the world forces of progress and peace. Inserted are also accounts of highlighting the strong international reverberation of the dialogue conducted between the party and state leaders of Romania and the Soviet Union.

GNA PLENUM SUPPORTS CEAUSESCU'S REELECTION

AU290757 Bucharest AGERPRES in English 0750 GMT 29 Jun 84

[Text] Bucharest AGERPRES 29/6/1984 -- The Grand National Assembly resumed its session in plenum in the morning of June 29, in the presence of RCP General Secretary, Romanian President Nicolae Ceausescu.

At the opening of the proceedings, Nicolae Giosan, chairman of the Grand National Assembly, expressed in behalf of the deputies full satisfaction at the resolution of the plenary meeting of the supreme office of general secretary of the Romanian Communist Party at the party's 13th congress. Then, Romania's supreme legislative forum started debating the items on the session's agenda which includes the programme of population's scientific nutrition, bills on approving the decrees comprising norms with power of law issued lately by the State Council, as well as the validation of the election of a deputy in one of Bucharest Municipality's constituencies.

Gainuse Report on Nutrition

AU291842 Bucharest AGERPRES in English 1822 GMT 29 Jun 84

["Rationale of the Programme for a Scientific Nutrition of the Population" -- AGERPRES headline]

[Text] Bucharest, AGERPRES 29/6/84 -- The rationale read during the June 29 session of the Grand National Assembly by Deputy Prime Minister Alexandrina Gainuse assesses that it harmonizes with the general policy of the RCP and of the Romanian state aimed at ensuring the people's welfare and steadily improving the quality of life, and is meant to contribute to meeting the food consumption requirements of all the members of society in a balanced manner.

The programme, the rapporteur stressed, is rigorously grounded on the recommendations made by science, takes into account our people's customs, traditions and the specific character of food, just as on the experience gained worldwide and sets the directions along which scientific research, agriculture, food industry, trade and public catering will have to work to fulfil its provisions, as well as the forms of educating the population in the spirit of a rational nutrition. At the same time, the programme aims at creating a balance between what people actually eat and their real nutritional requirements in keeping with their working and living conditions. This presupposes an appropriate nutrition throughout the country and by territorial units, by various categories of the population both in point of calories and of component nutritive substances. This also implies the promotion in production of farmfood products which help improving and modernizing food structure in conditions in which each country, municipality and town, each commune contribute to ensuring the necessary resources to meet the consumption requirements of the population living in their territory.

Medical science and practice can give numberless examples as regards the noxious effects on health conditions of an exaggerated and uncontrolled consumption of fats, sweets and cereal derivatives which favour obesity, cardiovascular diseases, diabetes and other ailments, Alexandrina Gainuse said stressing that through its provisions the programme sets the physiologically necessary quantities of calories, nutritive substances, minerals and vitamins correlated with population structure, consumption traditions and working and living conditions in Romania.

Alexandrina Gainuse specified that although UN specialized bodies recommend for Romania a daily per capita consumption of some 2,650 calories the programme stipulates an average consumption of 2,800-3,000 calories given the traditions of the Romanian people and the consumption level attained so far. In light of these orientations and provisions, she said, the assertions made by foreign circles according to which the present programme aims at levelling and rationing population's food are completely groundless and tendentious.

Next, the rationale points to the tasks incumbent on the ministries, local and central bodies which through their activity contribute to a proper supply of the population with farmfood produce. The dynamic and continuingly changing character of the population's food consumption requirements calls for an appropriate development of scientific research in nutrition with a view to permanently adapting food requirements to the demographic and socioprofessional evolution and mutations in our country in close correlation with food resources, the rationale reads.

Session Ends 29 June

AU291121 Bucharest Domestic Service in Romanian 1000 GMT 29 Jun 84

[Excerpts] The proceedings of the ninth session of the country's supreme legislative forum -- the Grant National Assembly [GNA] -- were resumed in plenum at the GNA palace today. The arrival in the hall of Comrade Nicolae Ceausescu and of Comrade Elena Ceausescu, and of the other comrades of the party-state leadership was greeted by the deputies and guests in an atmosphere of fervent patriotism.

Discussing the first point on the agenda, the GNA validated the election of Comrade Ion Radu as deputy to the electoral constituency No 23 Chitila of the Bucharest Municipality. The deputy then took his oath of loyalty and allegiance toward the Socialist Republic of Romania.

The next point on the agenda -- the draft program on the people's scientific nutrition -- was then discussed. After the report on that document, general discussions followed. After the conclusion of the discussions, GNA Chairman Nicolae Giosan presented the draft program on the people's scientific nutrition. The GNA unanimously adopted that decision.

As the last point on the agenda, the supreme forum unanimously adopted the laws on endorsing the decrees including norms with power of law issued by the State Council after the eighth session of the GNA. The proceedings of the ninth session of the eighth GNA legislature have ended.

SREBRIC ASSESSES OUTCOME OF MOSCOW TRADE TALKS

LD291642 Belgrade TANJUG Domestic Service in Serbo-Croatian 1246 GMT 29 Jun 84

[Text] Belgrade, 29 Jun (TANJUG) -- The 22d session of the intergovernmental Yugoslav-Soviet Committee for Economic and Scientific-Technical Cooperation assessed economic relations between the two countries as being generally successful, Borisav Srebric, vice-president of the Federal Executive Council and chairman of the Yugoslav side of the committee, told TANJUG and Belgrade radio and television on his return from Moscow today.

Considering a certain degree of slowing down of 2-day commodity trade in the second half of last year and early this year, we dwelt on numerous individual questions with the aim of speeding up the conclusion of transactions, Srebric said, adding that additional efforts would be made to raise commodity trade between the two countries this year from the planned level of $6.2 million to about $7 billion.

This year's session, which took place in a friendly atmosphere, favorably assessed the first results achieved by the two countries' planning-consultative bodies in their preparatory work on the next 5-year plan (up to 1990). Stress was laid in this connection Srebric said, on spheres in which we could promote cooperation in our mutual interests. These are ferrous metallurgy, energy, agro-industry, construction and other spheres.

With regard to new transactions, Srebric said, we may expect a greater degree of engagement by our builders in the Soviet Union, and of our textile industry and higher deliveries of the machine industry's products. New possibilities for cooperation are emerging in the chemical industry, within the framework of which the Soviet Union will supply Yugoslav producers with certain chemical raw materials and our organizations would supply Soviet partners with finished products.

Speaking about new steps forward in cooperation in the agro-industrial field, Srebric said that this did not concern only the recently acquired contract for the building of Kuban, the big combined agricultural enterprise in Krasnodar Oblast (122 ha), but also the broader involvement of Yugoslav organizations in the construction of capacities for the collection, storage and processing of agricultural produce. A Soviet delegation is scheduled to visit the combined Beograd agricultural enterprise next month to discuss the final projects.

An agreement was also signed in Moscow on a commodity credit amounting to $180 million for the Smederevo combined metallurgical works under very favorable conditions (long-term and low interest rates), Borisav Srebric, vice president of the Federal Executive Council said in conclusion.

ON WEST EUROPEAN STATESMEN'S VISITS TO USSR

LD301733 Zagreb Domestic Service in Serbo-Croatian 1300 GMT 30 Jun 84

[Text] Tomorrow's visit by British Foreign Minister Geoffrey Howe to the USSR is part of the efforts by Western Europe to influence the reduction of tension between the two military blocs. Here is Milika Sundic:

[Sundic] The British Foreign Minister Geoffrey Howe will be in Moscow from 1 to 3 July. REUTER points out that this occasion will be a new attempt by a Western European statesman to contribute to improving relations between East and West.

Prior to the announcement of the visit of the British minister, let us recall, the foreign ministers of Italy and the FRG, Andreotti and Genscher, paid visits to Moscow, as well as the French president, Francois Mitterrand. All these visits produced virtually no change in East-West relations, although no one denies their significance. Andreotti and Genscher held talks in Moscow on the possibility of reviving the Soviet-American dialogue on Euromissiles and on the reduction of strategic nuclear weapons, but the Soviet position remained unchanged. Moscow also rejected Reagan's offer to meet Chernenko because it does not believe in the good intentions of the U.S. President. Unlike Andreotti and Genscher, President Mitterrand did not want to involve himself in Soviet-American relations although his visit to Moscow was hailed by Reagan as courageous and frank.

Along with the United States, Great Britain is the harshest critic of Soviet foreign policy. Relations between London and Moscow are assessed as exceptionally cold, but as informed observers stress, Geoffrey Howe will nevertheless attempt to raise in his dialogue with Gromyko all the contentious issues which divide East and West, with the aim of sounding out the possibility of renewing the Soviet-American talks on missiles. Great Britain is also interested in improving bilateral relations with the USSR, primarily economic relations where London is lagging behind in comparison with other West European countries.

The increased contacts between West European statesmen and Soviet leaders have shown the desire of Western Europe to adapt to the prevailing situation in Soviet-American relations, without endangering their alliance with Washington, and in this respect a significant step forward has been made despite the many differences. Great Britain is lagging behind in this regard, but this does not alter the general picture of a slight improvement in the climate of relations between Western Europe and the USSR. The visit of Francois Mitterrand to Moscow contributed to this even though the French president was a very difficult colocutor in the 2-day dialogue with Chernenko.

In all the talks with West European statesmen, Moscow raised the question of Western Europe's responsibility for the present situation in the world, particularly those countries which have agreed to the deployment of U.S. Pershing and cruise missiles on their territory. However, this did not move a single West European country to desist from the commitments they have undertaken. Aware of this fact, Moscow has nevertheless shown considerable skill in not bringing into question in its criticism of West European countries what is most important to it, and that is the readiness of almost all West European countries to separate their relations with the USSR as far as possible from their alliance with the United States.

Geoffrey Howe will also be a difficult colocutor, but regardless of this and the outcome of his talks with Gromyko, the state of East-West relations will remain unchanged. Moscow can be satisfied with the increased frequency of the visits of West European statesmen, even though all its attention is directed toward the United States and President Reagan, to whom new accusations are addressed daily as the only person to blame for the disturbed relations between East and West and between the two superpowers.

TALKS WITH ALBANIA: MUST OVERCOME IRREDENTISM

AU011836 Ljubljana DELO in Slovene 27 Jun 84 p 4

[Marjan Sedmak commentary: "Good-Neighborly Relations Against Irredentism"]

[Text] Official Yugoslav-Albanian talks have begun in Belgrade which should, if they follow a normal course, end with the signing of the first cooperation program between the two countries in the fields of science, education, and culture.

Two drafts agreements are on the negotiating table -- one each from Belgrade and Tirana -- and their coordination will very likely not be simple.

The Yugoslav side is tackling the negotiations in accordance with that long-term foreign political strategy which sees in the strengthening of various forms of cooperation between neighboring countries a framework within which it is easier to reach unanimity also when the most disputed and opposing issues are involved. Resulting from this, Yugoslavia's more direct interest is that Albania should join the circle of those neighboring countries with which Yugoslavia, while strengthening good-neighborly relations, is also strengthening the stability of the area as a whole.

Albania's interest in this field should not be different. In addition, it is, of course, Tirana's wish to ensure through such kinds of agreements as many channels as possible through which the Albanians on both side of the border could be linked between the two countries. This interest of the Albanians on both sides of the border is quite legitimate and there should be no objections to it. However, this interest is legitimate only under certain conditions. The first among these conditions is certainly the realization that the times and international situation have long since passed in which the only method for solving such and other national questions was irredentism, which tried to round off one's national territory in such a way that pressure was put on the border line. This method has served its time; this is so for at least two reasons. The first is that in the current system of European relations it is hardly possible to imagine a forcible changing of the state borders, except within the framework of a conflict which would be catastrophic for all; the second lies in the fact that integrationary processes are forcing more and more neighboring countries toward developing increasingly more cooperation. In this cooperation the state borders become an increasingly smaller obstacle for a daily linkage of inhabitants on both sides of the thus changed state border.

However, this policy also can only give suitable results if both sides support it. For this reason the success of the Belgrade negotiations -- these negotiations are not interesting in themselves, but, precisely for this reason, because these relations between the two neighboring countries have been burdened in recent years by the spirit of a quite old-fashioned irredentism -- depends primarily on the question of with what spirit the negotiations are tackled at the negotiating table. In the past year, Albania has again been more aware of its isolation and is trying to establish links with certain carefully selected foreign partners (Italy, for instance); thus, it is even more natural for Albania to find a road to cooperation with the neighbor with which it has the longest land border. The neighbor, of course, must not find any initiative as superfluous, irrespective whether what is involved is current economic cooperation or long-term projects (the Titograd-Shkoder railroad line), because every partial success contributes to an improvement of the general atmosphere between the neighbors. This development can be prevented only by a yielding to that blind force of irredentism that for a long time has not belonged to the instruments of international relations.

Another Meeting Soon

AU291901 Tirana Domestic Service in Albanian 1800 GMT 29 Jun 84

[Text] Talks were held recently in Belgrade between the delegations of the People's Socialist Republic of Albania and the SFRY in connection with the conclusion of a program of cultural exchanges between the two countries. Both sides were acquainted with each other's opinions and exchanged ideas on cooperation in the fields of science, education, and culture for the years 1984-5. The delegations will continue talks on the (?finalization) of the program at another meeting to be held soon.

BORDER TRADE WITH BULGARIA BELOW TARGETS

AU281347 Belgrade POLITIKA in Serbo-Croatian 27 Jun 84 p 6

[S.T. Report]

[Text] Zajecar, 26 Jun -- The volume of local border trade within the economic cooperation between Yugoslavia and Bulgaria last year was planned to total $12 million and what was realized was only $7.7 million. Organizations from the SR of Serbia participated in this trade with $7.4 million and the remainder is the participation of organizations from the SR of Macedonia.

These data were presented at a conference in Zajecar today at which representatives of the Timok, Nis, and South Moravia Regions took part. The introductory speech was given by Milos Krstic, president of the [Serbian] republican committee for relations with foreign countries. Participants in the debate, representatives of the Socialist Alliance, chambers of economy, and big work collectives of the aforementioned regions, stressed that they are not satisfied with the volume of the cooperation realized and that all possibilities and needs of communes and regions of Serbia and Yugoslavia bordering on neighboring Bulgaria are still not fulfilled.

It was assessed that what is needed for the realization of a wider concept that would be based on long-term cooperation is to adjust systemic solutions as quickly as possible with a view to equalizing the conditions for cooperation with all neighboring countries. What is also necessary is a greater activity of regional chambers of economy, as well as a better coordination among direct participants in the economy.

UZBEK DELEGATION ENDS VISIT TO MACEDONIA

AU271705 Skopje NOVA MAKEDONIJA in Macedonian 20 Jun 84 pp 1, 3

[Excerpts] A delegation of the Uzbek Soviet Socialist Republic, which was in the SR of Macedonia in connection with the show "Days of the Uzbek Culture," left Skopje yesterday morning. A group of artists from this Soviet republic, who presented national and modern cultural creative work during the show in several towns of the republic 11-19 June, also departed together with the delegation.

The delegation of the Uzbek Soviet Socialist Republic led by Minavar Tursunovich Tursunov, deputy chairman of the Council of Ministers of the Uzbek Soviet Socialist Republic, has been received by Jakov Lazarovski, secretary of the Central Committee Presidium of the LC of Macedonia. In the talks held on that occasion, the past successful cooperation between the two republics carried out in several fields of mutual interest within the framework of Soviet-Yugoslav relations and cooperation was discussed.

Both sides stressed their interest in and the need to further intensify cooperation between the LC of Macedonia and the Communist Party of Uzbekistan and between other sociopolitical organizations and, within this framework, to continue contacts on various levels, and to carry out a regular and the best possible exchange of information on experiences in building socialism in the two republics and wider afield in the two countries.

Before departing from Skopje, Minavar Tursunovich Tursunov, head of the Uzbek delegation, and his host Koco Tulevski, vice president of the Executive Council of the Assembly of the SR of Macedonia, made statements for public information media.

At noon yesterday, the delegation of the Uzbek Soviet Socialist Republic was received by Jernej Jan, member of the Federal Executive Council. During the day, the delegation also visited the House of Flowers and the 25 May Museum.

SAWPY DELEGATION DEPARTS CUBA FOR COSTA RICA

LD262131 Belgrade TANJUG Domestic Service in Serbo-Croatian 1132 GMT 26 Jun 84

[Text] Havana, 26 Jun (TANJUG) -- A SAWPY delegation, which has had talks here with representatives of the sociopolitical organizations on mutual cooperation and the international situation and especially the hotbed of crisis in the area of the Caribbean and Central America, left Havana for Costa Rica today.

Jovan Dejanovic, member of the SAWPY Federal Conference Presidium, held very friendly and exhaustive talks with Armando Acosta, national coordinator of the Committees for the Defense of the Revolution and member of the Cuban Communist Party Central Committee, and exchanged views with him on the development of the political system and socioeconomic development in both countries. Both sides expressed the view that the possibilities for cooperation between the two mass organizations were much broader.

In the Cuban Communist Party Central Committee, our delegation held talks which primarily dealt with hotbeds of crisis in the world, with an emphasis on the situation in Central America and the Caribbean. During its tour of Latin America, the SAWPY delegation will also visit, apart from Costa Rica, Panama, Colombia, Bolivia, and Argentina.

SAUDI PRINCE FAVORS STRENGTHENING COOPERATION

LD291407 Belgrade TANJUG in English 1315 GMT 29 Jun 84

[Text] Belgrade, June 29 (TANJUG) -- Saudi Prince Talal ibn 'Abd al-'Aziz al-Sa'ud today (Friday) came out in favour of strengthening cooperation between Yugoslavia and Saudi Arabia which, he said, was in the interest not only of the two countries, but also of the Arab peoples. In a talk with the press prior to his leaving Yugoslavia he visited as the special emissary of UNICEF, Prince Talal voiced his hope for his visit to contribute towards Yugoslavia's and Saudi Arabia's coming closer to each other.

One of the questions he discussed with Veselin Djuranovic, president of the Presidency of Yugoslavia, and other high-ranking Yugoslav officials was establishing diplomatic relations between Riyadh and Belgrade, Prince Talal also emphasized. He is an optimist as to the outcome of that initiative, he added. Our views were identical as to the problem of Iran-Iraq war, the Saudi prince said in conclusion, stressing tht the greatest efforts are needed, particularly on the part of the non-aligned, for putting a negotiated end to that war.

ROZIC MEETS POLISARIO'S ABDELAZIZ 21 June

AU271244 Belgrade BORBA in Serbo-Croatian 22 Jun 84 p 1

[Text] Belgrade, 21 Jun (TANJUG) -- Concluding talks between the delegations of the SAWPY and Polisario Front [Popular Front for the Liberation of Sagui el Hamra and Rio de Oro] headed by Marjan Rozic and Mohamed Abdelaziz respectively were held in the SAWPY Federal Conference today. The talks dealt with the international situation and possibilities were discussed as well for expanding and intensifying cooperation between the SDAR [Saharan Democratic Arab Republic] and the SAWPY.

The SAWPY Federal Conference president offered full support for the struggle of the Saharan people for realizing their legitimate rights. Rozic expressed understanding for the difficulties the Western Saharan people has been facing in its efforts to ensure the widest international recognition of achievements it has won by its struggle so far and he stressed the SAWPY's support and its readiness to contribute to the further international affirmation of the struggle waged by the Polisario Front and the SDAR.

Polisario's secretary general positively assessed the visit to the SAWPY and Yugoslavia as well as the prospects for further cooperation the visit opened.

He expressed thanks for the solidarity support expressed stressing that this will be a new stimulus for bringing our peoples closer together.

Also discussed were some current issues of cooperation, including the manysided forms of concrete moral-political and material support of the SAWPY to the Polisario Front.

DIZDAREVIC RECEIVES ITALIAN PARLIAMENTARIANS

AU271228 Belgrade POLITIKA in Serbo-Croatian 23 Jun 84 p 2

[Text] Raif Dizdarevic, federal secretary for foreign affairs, yesterday received a delegation of the Commission for Foreign Affairs of the Chamber of Deputies of the Republic of Italy. The delegation is led by Giorgio La Malfa, president of this parliamentary commission.

In a friendly atmosphere, Raif Dizdarevic, federal secretary for foreign affairs, carried out a broad and substantial exchange of views on the current international situation with the Italian delegation. During the talk, Yugoslav-Italian relatons and the comprehensive development of good-neighborly cooperation were very positively assessed. In this connection, our side stressed the need for faster and more effective solutions for certain problems, such as the regulation of the position of the Slovene national minority in Italy by means of the adoption of a law on the global protection of this minority. A draft bill on this matter is now going through parliament.

SWAPO CHAIRMAN MEETS WITH SAWPY OFFICIALS

LD302122 Belgrade TANJUG Domestic Service in Serbo-Croatian 1628 GMT 30 Jun 84

[Text] Belgrade, 30 Jun (TANJUG) -- Sam Nujoma, chairman of the SWAPO [South-West African People's Organization] liberation movement of Namibia, made a short stopover in Belgrade today. He met SAWPY representatives and informed them about the decolonization process in his country. Despite the increased repression on the part of the racist regime, the population of Namibia, Sam Nujoma said, is giving broad-based and increasingly stronger support to the SWAPO. For this reason the South African regime, which is illegally occupying Namibia, is trying to disrupt in any possible way the implementation of the UN plan for Namibia. Nujoma also gave an explanation for the unsuccessful outcome of the talks between SWAPO representatives and South Africa which were held in Lusaka last month. As far as the international front is concerned, there has been a halt in the activity to solve the Namibian problem which, in the opinion of SWAPO representatives, could be surmounted by a more intensified activity of nonaligned countries and the United Nations. This would speed up the implementation of the appropriate resolution adopted by the UN Security Council.

DJURANOVIC GREETS MAZAMBIQUE'S PRESIDENT

AU271230 Belgrade BORBA in Serbo-Croatian 25 Jun 84 p 7

[Text] Belgrade -- On the occasion of National Day of the People's Republic of Mozambique, Veselin Djuranovic, president of the SFRY Presidency, has sent a telegram on behalf of the SFRY Presidency to President Samora Moises Machel expressing cordial greetings and best wishes for the prosperity of the friendly people of this nonaligned country.

PAYMENTS ON FOREIGN OBLIGATIONS MAINTAINED

LD292235 Belgrade TANJUG in English 1815 GMT 29 Jun 84

[Text] Belgrade, June 29 (TANJUG) -- Yugoslavia will continue to maintain regular payments on its obligations to foreign countries, the Yugoslav government commission in charge of the realization of the country's Long-Term Programme of Economic Stabilization said at a session here today (Friday).

The commission, chaired by Premier Milka Planinc, discussed the policy of Yugoslavia's financial cooperation with foreign countries until 1990. The commission pointed out that adequate economic policy measures must continue to be implemented in order to stimulate and increase Yugoslav exports.

MARKOVIC: STABILIZATION PRIORITY TASK FOR ALL

LD292311 Belgrade TANJUG in English 1300 GMT 29 Jun 84

[Text] Belgrade, June 29 (TANJUG) -- Yugoslavia's prestige in the world largely depends on its success in attaining the set economic and social development targets, League of Communists of Yugoslavia (LCY) Presidency member Dragoslav Markovic states in and interview appearing in the latest issue of the Yugoslav weekly KOMMUNIST. Markovic stresses that the implementation of the economic stabilization programme is a priority task for Yugoslav society as a whole and, consequently, for the LCY, as the leading force of society. He sets out that the LCY can and must be more determined in ensuring the full implementation of the principles defined in the programme.

In Markovic's view, certain results have been achieved along the line of economic stabilization and they can prove the beginning of the end of economic stagnation. However, he sets out that the main qualitative changes in production relations have not been achieved. Referring to demands regarding the implementation of the economic stabilization programme, Markovic points out that consumers must count with occasional goods shortages. He specifies that exports cannot be boosted with nonexistent products and must at times be effected at the expense of the domestic demand.

Markovic underlines the necessity of stepping up the work on a critical reappraisal of the functioning of the political system in Yugoslavia, initiated by the 12th LCY Congress in 1982. He warns, however, against attempts at obscuring inertia or lack of understanding of the essence of the set development course with thunderous criticism of the very principles of systemic solutions and demands that they be changed at all costs.

The spirit of tolerance in public discussions is exceptionally important, Markovic says and reiterates the indispensability of firmly opposing the thesis: "Who is not with us, is against us".